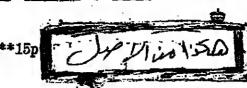
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GENERAL

# **Arrests** follow Turkish rallies

more than 1,600 people in Istanbul and Ankara and fired on demonstrators attempting to stage May Day rallies in defiance

of martial law. The confrontation poses a problem of credibility for the government of Bulent Ecevit who has been seeking to limit the martial law he introduced four months ago.

Among those detained was Bebice Boran, elderly Turkish Workers Party leader who was involved in a demonstration in Istanbul's Taksim Square. Back

### Troops join Moscow parade

The military made its first appearance for 11 years in Moscow's May Day parade. Soviet President Leonid Brezhnev appeared to be in improved health and stood throughout the two-hour parade, Page 2; May Day rallies elsewhere Page 4

### Print union sued

Specify.

37.75

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e m

32 80 7

West Germany's powerful printing union is being sued by the Turkisb-owned printing ment Secondern contracted to publish to 75.08. the international weekly edition of The Times. Publication was abandoned after three days of angry picketing. Back Page

### Apartheid move

Legal enforcement of apartheid on the shopfloor should be scrapped, and black trade unions granted statutory recog-nition, a South African Govern-ment. commission proposes.

shot in shallow hillside grave in Derbyshire was identified as Peter Thompson, aged 18. boyfriend of Lorraine. Underwood, aged 15, found on Sunday battered to death nearby A murder hunt has been launched.

Four steelworkera were in: hospital, one critically ill, after being showered with molten metal when a furnace exploded at the Firth Vickers works in Brightside, Sheffield.

Uganda massacre Defeated troops of fugitive Ugandan dictator Idi Amin killed 1,000 people in two weeksin and around the small town of Tororo before retreating in

disarray, survivors said. Philippine deaths Twelve people have died and 22 have been kidnapped in the Southern Philippines where regional government elections will be held on Monday.

# Gandhi arrest

Sanjay Gaodhl, son of former Indian Premier Indira Gandhi, was arrested with nearly 400 supporters when street battles erupted at an anti-Government

ри

St

China has recognised the new Uganda Government led by President Yusufu Laile. Lance Corporal John Berry, aged 20, of South Shields, is disarming a gunman who shot two soldiers in 2 German bar. Profits in 1978 of £2.01m against Indonesia's second volcano dis-80 people in West Sumatra, Mrs. Justice Rose Hellbron, aged 64, became the first woman judge to sit in the Court of Criminal Appeal.

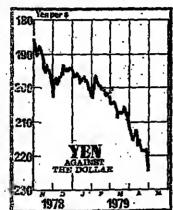
Three men carrying clubs stole £60,000. worth of industrial diamonds and £3,000 in cash from a man they attacked in a Dublin hotel bedroom.

### BUSINESS

# Dollar up sharply against yen

No. 27,854

• JAPANESE yen was weak no the foreign exchange markets reflecting both the improve-ment in the latest U.S. trade figures and Japan's trade deficit in the first 20 days of April.



The dollar rose to its highest for nearly a year against the year to Y224.20 (Y221.90). The pound fell 85 points to \$2.0605 and its trade-weighted index fell to 66.9 (67.1). The dollar's rose to 86.5 (86.3).

• EQUITIES reacted to electinn prospects and the FT ordinary index fell 14.3 to 537.0. • GILTS eased and the Government Securities Index fell 0.26

• GOLD closed unchanged in London at \$246].

• WALL STREET was 2.00 mp at 856.90 just before the close. LLOYD'S rolling committee is

not to give the Sasse under-writing syndicate an open-ended line of credit to help it muct £15.6m of losses. Back Page • HOLLAND faces severe distortions in its domestic economy

Double killer hunt the international economic

The youth found shot in climate, the Dutch central bank president warned. Back Page P & 0, whose 1978 results

are due today, bas put up for sale another of its largest ships, the 218,000 deadweight ton tanker Ardvar, which expected to raise about £4m. Back Page

Furnace explodes: • CANADA and Romania bave concluded an agreement for a \$1bn loan to buy four Canadian nuclear reactors, part of Enmania's plan for 16 to be built in the next 20 years.

GRUNDY of Teddington is to take its fight against the NEB to the House of Lords in an effort to prevent a joint ven-ture with a U.S. company, Cootrol Data Corporation, for the manufacture of computer peripherals. Page 8

STEEL producers and British Rail will meet today to arrange a £45m programme for new rail freight wagons to transport scrap iron and steel Page 7

BNOC has discovered additional oil reserves close to a 200m-300m barrel find made last year in the central North

 POWER WORKERS bave voted against the latest pay offer of 9 per cent plus, accord-ing to unofficial polls of power stations, Back Page

### COMPARIES

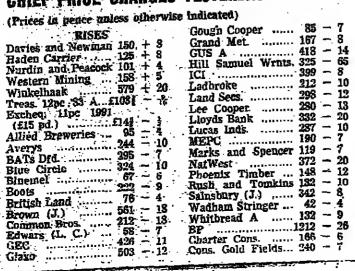
O SPEAR AND JACKSON pretax profits rose 34 per cent to a record £1.83m against £1.365m after a second half recovery. · Page 27

O DAVIS AND NEWMAN

aster this year killed at least o SMITH & NEPHEW pre-tax profits for the 12 weeks to March 24 rose 11.5 per cent from £4.49m to £5.01m. Page 24 and Lex

• HOECHST, parent of the West German chemical group. reports a 22.9 per cent rise in first-quarter pre-tax profit to DM 193m. Page 30

# CHIEF PRICE CHARGES YESTERDAY



# Crude oil shortage forces Texaco to ration petrol

BY SUE CAMERON AND KEVIN DONE

Reduced crude oil supplies and a shortage of oil products in the European market have forced Texaco, a major UK oil supplier, to start rationing petrol supplies to all customers.

per cent of the retail petrol ing pre-revolutionary levels. market with 2,150 garages, began allocating deliveries yesterday. It is restricting supplies to 92 per cent of the level of deliveries it was making last aummer in the four months from May to August.
The company bas been rattioning deliveries of middle

distillates, which include products such as gas, heating, and diesel oil, and jet fuel since February. From yesterday it began to apply a stricter allocation, amounting to 80 per cent rather than 85 per ceot of last year's level.
The UK Chemicals Industries

Association said yesterday that there was a "much more diffi-cult oil situation than the Government is prepared to own up to. Some chemical companies bad

had their fuel oil supplies cut by as much as 50 per ceot. As a result a number of concerns were "having to curtail productinn," while others experienced difficulty in maintaining their

A shortage of fuel oil has also begun to hit industry, and some chemicals manufacturers are finding it impossible to maintain normal production.

Texaco, which bolds about a production association said the deliveries. The association said the would put pressure on the sometimal new Government to do more for "several years" even if to safeguard oil product suplication production plies for industry.

It added that Governments to do more production plies for industry.

It added that Governments to do more production plies for industry.

It is building a £300m crackoil products in the UK but this Department of Energy's emerplant will not be in production until the end of 1980.

Most other large UK oil comsupplies. At best deliveries are ages had to be tackled in a more at last year's level.

last year and refuse new busi- cuts in fuel oil deliveries. Most Burmah, bave made cuts similar domestic users and from owners to those imposed yesterday by of commercial vehicles, rather

been hit by cuts in fuel oil supplies desk-had been busy.

tended to put more emphasis Texaco has to buy in about 50 on maintaining petrol and heatper cent of its petrol supplies, ing oil supplies for motorists either from other UK oil companies or through imports from the Continent.

The association had started ing unit at its South Wales refinery in a joint venture with fuel-oil shortages from some of Gulf Oil, which will ultimately its 300 members five weeks ago.

A number bad gone to the until the end of 1980.

The cracker will allow could do was to ask distributors
Texaco to upgrade fuel nil into to send an extra load of fuel lighter products such as petrol oil to the company in difficul-

panies are rationing oil-product problem of oil-product shortthoroughgoing way.

Some companies, such as The Department said that it Esso and Shell, restrict had had more complaints about deliveries to the level of sales shortages of diesel than about ness. Others, such as Total and requests for help came from than from large companies. It Nearly 30 chemical sites have admitted that its emergency

# Playboy, Coral and GLC oppose Ladbroke licences

BY JAMES BARTHOLOMEW

THE PLAYBOY CLUB, the the Greater London Council have 30 Curzon Street. joined with the police Clnh squad in objecting to the renewal of certain London casino casino, the Park Tower, is down licences beld by Ladbroke Group. for May 15 at West London Ladbroke is the biggest casino operator in the UK. The casino division is thought to have contributed about half of Ladbroke's record 1978 profits of £41m. Most of the casino profits came from the four London clubs. Loss of the licences could slasb Ladbroke's profits. At South Westminster licens-

ing magistrates yesterday. Mr. Anthony Scott-Tucker, on behalf broke. 24 Hertford Street, Ladbroke "Objections by Coral Casinos stated intention not to increase Club, 22 Hill Street, Hertford and the GLC relate only to the the number of gaming tables.

Club, 21 Hertford Street, and new Hyde Park casino," said British subsidiary of the U.S. Hertford Club (to be renamed Ladbroke, "The Coral objection public company Playboy Enter-prises, Coral Leisure Group and and not currently in operation), and not currently in operation), Application for the liceoce

licensing magistrates.

this was later confirmed. The to the recewals. The objectious Playhoy, Coral and the GLC had not been revealed by Lad-

relates to application for additional tables and the GLC objection is purely formal and is in regard to the certificate renewal of the fourth operating from their fire authority."

As before, Ladbroke would not reveal the nature of the police objections which it claims Mr. Scott-Tucker said that are based on "technical the niher parties involved were hreaches." As for Playboy's agreeable to the hearings being objections. Ladbroke merely adjourned nutil June 13 and said they were "not worthy of comment."

police were the only party pre-viously known to be objecting and Playboy themselves came up against firm ruling on their applications. The magistrate refused to allow Coral's Curzon aujournment of the group's ceedings, in yesterday's evening refused to allow the Playhoy to application for licence recewals papers, Ladbroke issued a state-for the Park Lace Casico Club. ment House Club to use more rooms

# **GKN** plans to close factories

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

gramme. months ago, will have reduced and 15 per cent by early next

The company has embarked on a programme of divesting Itself of companies and activities which it regards as inconsistent with its direction. This will re-sult in companies being sold off over the next year, and in some cases closure of factories seems Mr. Trevor Holdsworth, deputy

what this would mean in terms cutbacks. of jobs. The group now employs

reorganisation pro- nearly 69,000 in the UK, about panies to strengthen those exist-which started 13 4,000 fewer than last year. Ing businesses on which to con-In its message to employees the size of the company's husi-ness in the UK by between 12 the company warns that jobs disaccompanying the annual report. appear when products become

The two main areas which have been identified as those nn which GKN iotends to concentrate are motor components, and distribution. The latter includes steel stockholding, automotive accessories, and industrial fasteners (the traditinnal nuts and bolts). The group has already rationalised Mr. Trevor Holdsworth, deputy its manufacture of industrial chairman and managing directors, and this is one sector tor, declined to say this week that may well suffer further (1977: £1.64bn).

GKN has been acquiring com-

centrate. Last year it honght the Stern Osmat distribution group. Overseas expansion is an important part of the group's reorganisation. The present split hetween UK and overseas five years, it plans for a 50/50 ratio Another major U.S. expansion

concerns GKN's automotive components factory under construction at Sanford, North In 1978, GKN made a profit

before tax of £87,3m (1977: £72,3m) on turnover of £1.75hn Report Page 28

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policy mix ...... 31 Are British managers really worse Lombard: Nicholas Colchester on true levels of income tax ...... 20 Editorial comment: Turkey; the world economy ..... 22 Surveys: Austrian banking ...... 35

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# ELECTION UNCERTAINTY UNSETTLES MARKETS

# **Equities** and £ fall

By Peter Riddell, nomics Correspondent

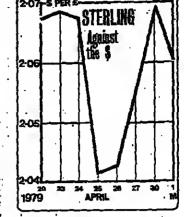
SHARE PRICES fell sharply yesterday as the stock market became increasingly nervous about the outcome of tomor-row's General Election. Sterling also slipped back slightly after its big recovery on Monday.

Market movements were dominated by the appearance of opinion polls or rumours about their findings. Brokers and tobbers re-

peried that selling was relatively small and the declines mainly represented marking down of prices by Publication of a pell show-ing a Labour lead for the first

time in the campaign led to an immediate 10.2 drop in the FT 30-share Ordinary Index. Industrial There was a balf-hearted

rally in the late morning but prices dropped further in the



afternoon and the FT 30-share index closed 14.3 down at 537.0. This is the largest drop in a day since September,

The late decline in share prices followed speculation that another opinion poll appearing today could confirm the Labour lead. Yet no major poll was expected to appear in this morning's papers.

Gilt-edged prices showed smaller declines. Little sell-ing was reported and falls in the prices of longer-dated issues were restricted to around i of a point.

Sterling again continued to be infinenced by the election prospects. After rising by 0.6 points on Monday, the



trade-weighted index, measur ing sterling's value against a basket of other currencies, dropped 0.2 to 66.3 last night. The prund touched a low

point against the dollar of \$2.0575 before closing 85 points down at \$2.0605. The U.S. dollar had a mixed day following the rise in U.S. interest rates. The currency strengthened against the pound and the Japanese Yen, which was very weak in response to Japan's trade

deficit in the first three weeks nf April. The dollar rose to Y224.20, its highest level for nearly a year, against Y221.90

previously. Money markets Page 33 Stock Exchange report Page 40 Lex Back Page

# Tory leaders surge into final assault

BY PHILIP RAWSTORNE

CONSERVATIVE LEADERS with the size of wage cuts rather last night surged into the attack on the eve of the final day in the election campaign.

Mrs. Margaret Thatcher, in the most beligerent speech of her election tour, lambasted the Labour Government's record and warned that its policies would lead to disaster.

"Why should we believe that their so-called special relation-ship with the unions has any meaning after last winter?" she

"Never forget how near this nation came to government by picket; never forget how rkers had to beg for the right

Extremists were taking over the Labour Party, Mrs. Thatcher claimed at a rally in Bolton. Labour and the "socialist politicians of the TUC" had already agreed that a future Labour Government would inter-

fere in the use of pension and insurance funds, she said. Sir Kelth Joseph, Tory Industry spokesman, said in Leeds that Britain was in danger of plunging into absolute economic

Unless there were a radical change of course, the annual

than increases. But for North Sea oil, economic regress would have begun already. "Growth has begun already.

been virtually eliminated by a

combination of union-enforced Luddism and over-manning, punitive taxation, excessive state borrowing and spending, interference, control and ownership."
The intensity of the Tory attack reflected growing der-

vousness among the party strategists about the course of the campaign in the past few

Mail yesterday which showed Labour bad taken a narrow lead has been followed by more danger signs for the Conserva-

In the critical marginal constituency of Bolton East where Mrs. Thatcher held her rally last night, the Tory lead, accord-ing to a Market and Opinion Research International (MORI) poll for Granada Television bad been cut from 9 to 2 per cent. The constituency has voted with the winning side since the war. A BBC poll in Wales showed Labour poised to win Pembroke from the Tories and Carmarthen

Though the Tories maintained a strong lead generally in London, an ITV poll by MORI showed that its advantage had been cut from 8 to 4 per cent in the key marginal of Ilford

The race appeared to be turn-ing into a neck-and-neck affair, and the shift was evident in the buoyant mood of Labour leaders. Mr. James Callaghan declared at his Press conference: "The Conservatives ran out of puff

some days ago."
The long campaign had worked in Labour's favour, be . The NOP poll in the Daily said. It had enabled them to would have to pay for the Tory income tax cuts in other ways.

Questioned about the NOP Continued on Back Page Election news Pages 10 and 11. Editorial comment and How the party leaders fared Page 22

£ in New York

April 50 apot | \$2.0675-0685|\$8.0500-0510 1 months | 0.21-0.25 dis | 0.23-0.18 dis 5 months | 0.70-0.65 dis | 0.80-0.75 dis 12 months | 1.90-1.75 dis | 2.30-2.30 dis

# wage round would be concerned from the Welsb Nationalists. The M&G Pension Fund Investment

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THE M&G GROUP

# W. German car makers to cut fuel consumption

· By Adrian Dicks in Bonn

COUNT OTTO LAMBSDORFF. The West German Economics Minister, has won voluntary undertakings from the motor manufacturers that they will reduce fuel consumption of new vehicles and will co-operate in a series of measures to make Geiman drivers more aware of the need to save fuel.

During a meeting with Count Lambsdorff earlier this week, the chairmen of the major companies promised that the fuel consumption of cara would he cut by 10 to 12 per cent hy 1985, and that of commercial vehicles by 5 per cent. Existing safety and emission standards will not, however, he compromised.

For the immediate future, the industry has agreed to develop a uniform method of comparing private cars' fuel consumption in heavy traffic and at higher speeds, and will advertise new models' performances from the 1980 model year nn.

The motor manufacturers have also agreed to place more emphasis on advising drivera how to avoid using too much fuel, and to take part in a national free inspection campaign to check carburettors. New models will henceforth include as a standard fixture gauges showing the driver his rate of fuel use. These are already fitted on some

Other measures agreed on include more intensive research Into motor fuel mixtures using substitutes for crude oil. Several programmes testing methanol blends are already under way

in West Germany.
The undertakings given by the motor industry are the latest of a series of actions in which Count Lamsdorff has recently been seeking to make the German public more aware of the need to save energy.

aix-months' government crisis, has flared into farce in the tiny As in previous campaigns however, there is no hint that Wallonian town of Jauche, with a British accountant playing a an npper speed limit will be imposed on Autohahns. Polilead role. The row is more a comedy of errors, and stems from a determined hid by the Belgian authorities to deal evenhandedly with the Dutch speak.

Jauchois and the two-man work closed.

General discontent came to a head last week, when a Belgium-bandedly with the Dutch speak.

The contractors spoke little head last week, when a Belgium-bandedly with the Dutch speak.

While Jauche is less action that has translated a local ticians of all parties appear to recognise not only the strength of the motor industry and motor-Ing lobby, but also the fact that the German public is seemingly unconvinced by the arguments ing Flemings and the francoused in every other European phone Walloons to the south. Because the Scheldt estuary Flanders, committeeding to the Flemish port of came a problem. country to save fuel through

MILLIONS MARK MAY DAY AROUND THE WORLD

# Red Army joins march for first time in decade

Soviet President, appearing to but without difficulty, and be in his hest health for months. watched the two-and-a-half hour ing demonstrators with clasped Day parade was notable for the participation of Sovlet armed forces for the first time in the

Squads of paratroop com-mandos and blue-bereted Naval Marines performed precise military drills in the centre of Red Square, replacing the colourful gymnastic display hy Soviet young people which has marked the heginning of the parade in recent years.

Mr. Brezhnev was flanked on his right by Marshal Dmitri Ustinov, Defence Minister, and by Mr. Alexei Kosygin, the Premier, on his left.

There was no other indication at the parade of increased status for Marshal Ustinov, his position at Mr. Brezhnev's side.

In other years, Marshal Ustinov and his predecessor, the late Marshal Andrei Grechko. bave heen further down the line, separated from Mr.
Brezhnev by Mr. Kosygin.
Mr. Brezhnev, 72, remained standing for the entire two hours, waving frequently from the Lenin Mausoleum review
of four Britons sent to Soviet officials yesterday gave no reason for the early release of four Britons sent to Soviet officials yesterday gave no reason for the early release of four Britons sent to Soviet o

demonstrators streaming before

BY GILES MERRITT IN BRUSSELS

The Soviet leader climbed

Belgium's language war.

The Flemisb-Walloon rivalry

that-last October provoked a Flemish

MR. LEONID BREZHNEV, the the steps to the stand slowly paused to gesture to the cheer-May Day parade in Moscow's hands. He smiled broadly and

Red Square yesterday. Tha May his compexion appeared ruddy. Mr. Brezhnev became ill and dropped out of public view at the end of March with a lung infection which reportedly required treatment with strong doses of anti-biotics. He had not looked well since reappearing in public at an ice hockey match in mid-April.

> During the visit last week of M. Giscard d'Estaing, the French President, Mr. Brezhnev did not hold the expected teteà-tête discussion with the French leader, and his speech was difficult to understand. He frequently had a blank expression and seemed to bave difficulty following a conversation.

Mr. Brezhnev's appearanceand presumably, his health-have always had their ups and downs but yesterday he chatted on the reviewing stand with the other members of the ruling politburo, and at nne point bent down to kiss a small boy

ing stand at the thausonds of lahour camps in 1976 for drug smuggling before completing their sentences, Britisb officials

Jauche some 30 miles south-east

of Brussels. That along caused

than 10 minutes' drive from

Flanders, communications he-

the language line marking wrangle

muted

tions across the country, David Gardner writes.

The biggest demonstrations, peaceful march through ceotral of about 300,000 people, were Lisbon yesterday, Jimmy Burns

Briton stokes fires of Belgian language war

an executive of a multi- dredged, so too, it appears, must Jauche makes up in tidiness for sale, he immobilised the national corporation, Britain he the muddy streams of what is lacks in architectural contractor's mechanical digner has hecome embroiled in Wallonia.

To belp spread the benefits first welcomed the learing of

of the public works programme, the river, later decided the Flemish contractors were river banks were heing spoiled. Chosen to dredge the River To halt the dredging some

muted Waloon grumbling, as a deep sea angling club and although relations between the declared a stretch of river

SPAIN: An estimated 1m held in Barcelona and Madrid. writes. Banners called on the Spaniards turned out for Spain's Large numbers turned out in first May Day under a constitu-the Basque country, Valencia tional Government since the and the main Andalucian cities. civil war, in over 400 demonstra-PORTUGAL: About 50,000 the General members of Workers Confederation beld a

Soviet soldiers perform a novel drill in Red Square

IRELAND: A large number of trade union members —

march yesterday in protest against what they see as the country's unfair tax system, our Dublin correspondent writes.

YUGOSLAVIA: President Tito marked May Day with a televised party session stressing Yugoslav independence from Soviet control.

The speech came at a time wben Tito is believed to he preparing for a trip to Moscow in an effort to ease strains caused by differences over a variety of issues, including the Vietnamese-led invasion of

IRAQ: Parades of tens of thousands with the denunciation of President Sadat of Egypt as their main theme were held in Baghdad. In JORDAN, King Hussein called for Arab unity and vowed to continue the Arab ITALY: Workers' demonstra-

tions were dominated by con-cern over high unemployment, guerrilla violence and next month's General Election. Some 10,000 leftists shouted alogans against the ruling Ghristian Democrats as they marched in Rome. The demon strators also called for an early settlement to a new round of

wage demands. CHINA: Millions in Peking celebrated with picnics and marches, while a new pink poster on Democracy Wall com-plained of "hunger, persecu-tion and unemployment."

# Vatican signals ostpolitik intentions

Paul Betts in Rome BARELY A month before his historic visit to his native Poland on June 2, Pope John Paul has chosen as his "foreign minister" the man who has been largely responsible during the past decade for the Vatican's relations with the Communist countries

of Eastern Europe. In this respect, the appointment of Archhishop Caseroli as acting Secretary of State is significant.

It indicates that the Polish Pope intends to continue the Vatican's ostpolitik launched in a quiet and unspectacular way by the late Pope Paul VI. This policy has sought, above all, to improve relations with Gommunist countries, with the Vatican making limited concessions for what is has generally called pastoral

It has been a patient and slow process conducted with con-siderable diplomatic skill by Monsignor Caseroli.

The appointment of the 64-yearold Italian archhishop is expected to be welcomed by the East European governments, which have been clearly concerned about the election last October of the first Pope from a Gommunist country.
Pope John Paul, however, has

now demonstrated explicitly that he intends no radical changes in Vatican diplomacy. At the same time, by nominat-ing an Italian to the second most powerful post in the Roman Catholic Ghurch, the Pope has re-established the balance between Italians and non-Italians in the Vatican hierarchy.

This halsnee effectively was broken with the election of the first non-Italian Pope in four and a half centuries. The former Secretary of State, the late Jean Garidan Violot, was a Frenchman. He died in March.

The choice of Monsignor Gaseroli also reflects the Vatican's intention of reducing its direct involvement in Italian affairs and its so-called special relationship with the long-ruling Christian Democratic Party.

t is of particular significance coming on the eve of the official opening of the Italian general election campaign. Monsignor Caseroli has been

actively involved in the revision of the Concordat, the pact between the Church and the Italian state, whose princinal aim was to establish their mutual independence and autonomy, and the noninterference of the one in the other's affairs. Equally significant, is the deci-sion of the Pope, who has

little experience of the Roman Guria, to choose a man who is well versed in the intricate policies of the Vatican Monsignor Caseroli, unlike the

Pope, has little pastoral experience and is effectively a product of the Curla. He was born in 1914 in a small town near Piacinza ln nothern Italy and hecame a priest in 1937. Three years later, he joined the Vatican Secretariat of State where he has worked his way steadily up the ladder.

State, he is taking on the full dutics of his key position in the Roman Gatholic hierarchy.

To halt the dredging, some and now faces a £1,000 damages

charges.

egged on hy a small crowd of neighbours he tampered with its

electrics and the digging arm

suit and possible criminal

The Governor of the Province

of Brabant bas been involved,

and police evidence has been

sent to the Procureur du Roi to

decide on further proceedings.

Jauche's single and contro-

is unreprentant, if sed. "They seem to lack a

versial British resident, how-ever, is unreprentant, if

country's non-party Government to resign, and protested against the rising cost of living.

estimated by police at 12,500, but put by other observers at over 30,000—took part in a

Suarez talks to Polisario BY DAVID GARDNER IN MADRID SR ADOLFO SUAREZ, Spain's would be countered by Morocco

Prime Minister, held talks with the leadership of the Polisario front, the Saharan independence movement, during his two-day visit to Algiers, which ended This is Spain's most overt recognition so far of Polisario,

and represents a definite shift in Spanish policy towards the Maghreb states and its former colony of the Western Sahara. Spain is motivated as much by internal considerations as by the need for a dignified diplo-

matic exit from the war it bequeathed tothe inhahitants of Mr. Mohammed Abdil Aziz, former colony and their neighbours,

Insensed at damage allegedly hemised. "They seem to lack a Any attempt to for heing done to the riverside sense of bumour here," he said. Madrid-Algiers-Polisario Any attempt to form

pressing its claim to Spain's North African enclaves of Ceuta and Melilla, hut Sr. Suarez's Government is thought more cnocerned by the future of the Canary Islands. Sr. Suarez described the meeting with Polisario as a simple

exchange of views, and denied that his talks with Mr. Mohammed Ahdul Ghani, Algeria'se Prime Minister, touched on the Ganary Islands or a possible NATO hase in the Canaries if Spain joins the alliance. Sr. Suarez also confirmed that

Polisario's leader, had informed him of Lihyan-arhitrated peace axis, rillas and Mauritania.

# Austrian general election: a clash of personalities prefers to point out that the opponents of the nuclear power. Nazi ideas. Though he was kept

language tiff into a legal

bouseholders formed themselves

into what has been described

BY PAUL LENDYAI IN VIENNA

WITH VOTING in the Austrian first nuclear power plant, the general election on Sunday, the troubles with his ambitious campaign has boiled down to one crucial question: "Does Austria want Kreisky?" The Androsch as well as rumours hundreds of thousands of elec- about Dr. Androsch's business tion posters around the country offer their own unequivocal answer: "Kreisky. Austria needs him." But will the 5,183,019 eligible voters agree?

Dr. Bruno Kreisky has now been at the helm of his socialist government for the past nine years. Only a couple of months ago most people were predicting that he would lose bls absolute majority in the elections and have to form a coalition, some-thing which Kreisky has always said he would never do.

Dr. Kreisky has said he would not form a coalition with the main opposition People's Party and that the smaller Freedomite Party under its present leader, Dr. Alexander Goetz was not an eligible partner. In that case a government would almost cer-tainly have been formed by a younger accialist or the People's Party leader Dr. Josef Taus.

Austrian papers suggested that the Gbancellor, who was 68 years old last January, had lost his touch. Criticism was fuelled by the Government's

interests and finally the election of a staunchly conservative Austria former radio TV director as chief of the State-owned hroadcasting corporation.

In the final analysis, however, the election is likely to hinge on personalities. Dr. Kreisky, the Socialist combines the traditions of the Austrian Socialist movement, generally led by the middle and upper middle class, and the flair of a grand horgeouis, whose family has for generations heen active in industry, politics and the free

The fact that Dr. Kreisky is Jewish in a country with a history of anti-semitism where Adolf Hitler was born did not harm but may even have helped his political career. Dr. Kreisky spent over a decade in Sweden as a political refugee between 1938 and 1945 and later as an Austrian diplomat.

His additional attraction is that he is an internationally known opponent of Zionism and a sharp critic of Israeli policy with regard to the occupied defeat at the referender about territories saying that the the commissioning of Austria's Palestinians should not be over-



challenger Dr. Josef Taus, leader of the



looked. The main point is, bowever, that the "Kreisky era" coincided with an unprecedented period of prosperity combined with labour peace and international recognition.

A growth rate of almost 4 per per cent per anum from 1970 to 1978, the maintenance of practically full employment and a

construction, project engineering and trading; cables, conduits and non-ferrous



The challenged . . . Socialist

all this io massive to 26 per cent last year.

respectable rise in personal guage understandable to the campaign overshadowed by the arch-reactionary with sym- as half a million incomes are achievements no average Austrian. Dr. Kreisky personality of Dr. Kreisky. Even pathies for pan-German and for the first time.



Chancellor Bruno Kreisky

one can dispute. The country bas also had to pay a price for deficits and a jump in federal debt from 10 per cent in 1974

But the Opposition bas failed to translate the deficit caused by the spending spree and Its consequences into plain lan-guage understandable to the year. It is worth adding, how- available. ever, that the economic situation

hanks. It was the death of oppoelection campaign which projected Dr. Tans into politics and to his eventual election as party leader less than three months

Party.

The smaller opposition party,

The smaller opposition party,

The Socialists won that election with an absolute respority giving Dr. Kreisky's party 93 of the 183 seats, while the People's Party has 80, and the Free-domite Party ten. In percentage terms, the Socialists captured 50.4 per cent, the People's Party just under 43 per cent and the Freedom Party 5.4 per cent. An important factor is that Dr. Kreisky has always been more popular than his Party and in terms of voters' preferences, he is way ahead of Dr. Taus. Thus, the Socialists conduct a

inflation rate fell from 7.6 per which the Chancellor favoured in jail for 14 months by the cent in 1976 to 5.5 per cent in last autumn, came out publicly British occupation authorities 1977 and to 3.6 per cent last for Kreisky as the best man as a young boy, there is no By contrast, the main opposi- Nazi sympathies.

country's second lar; just bank, the Chancellor. Finally, this transit tax on lorries. However, such actions are likely to harm

the Freedomites is led by a man who won a local election as mayor in the city of Graz but has falled to impress audiences have had a turnover of well In the rest of the country. His over £700,000 last year and predecessor Herr Freidrich employed some 60 people. Those Peter, erstwhile officer of the Waffen SS was a much more accomplished politician. It was Herr Peter and his party's support which enabled Dr. Krelsky remain in power as a minority government f April 1970 to October 1971. Goetz, is depicted by the

evidence to prove Dr. Goetz's was equally healthy under the tion began with a coloutless. The extent of the likely former People's Party Govern-campaign, almost indistinguish. Socialist victory depends priable from the Government's marily on results in Vienna. If At 88. Dr. Kreisky is almost 33 line. Only after the accident in the Socialists repeat their suc-

Party leader Dr. Josef Taus, who burg was a massive campaign exclude the possibility that Dr. until 1975 was running the launched personally attacking Kreisky may again get an absolute majority. However, last week a former journalist began autumn thousands of Socialist tute of the Austrian savings to stage demonstrations with the voters and Party members drove facit support of the People's to the countryside or stayed at sition leader, Dr. Karl Schleinzer Party in protest against the im. home instead of going to the ln a car accident during the position last year of a freight polls at the local municipal elections. One of Dr. Kreisky's biggest liabilities were accusations that Dr. Androsch found lucrative jobs for bis secretaries. There

> firms which were reported to scandals may cost Dr. Kreisky a number of crucial votes in marginal constituencles in Vienna. But it is felt by the Socialists that in the end these things will be overshadowed by the perfrom sonal choice between Kreisky on the one hand and Taus-Goetz on Socialist propaganda as an may yet upset these calculations arch-reactionary; with sym- as half a million of them vote

were cover stories in the popular

papers about his accountancy

Pope John Paul is expected to announce shortly his first consistory at which he will number of new cardinals. These will include Monsignor Caseroli who. under the apostolic constitution, must be a cardinal to be Secretary of State. lithough he now only holds the title of acting Secretary of

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metalworking. The GHH Group offers a total capability: consultancy, basic planning, project engineering, supply erection and commissioning, training of specialists, financing of turnkey plants and marketing of the customer's products. In March 1979 the order backleg totalled some

ability to adapt to customer requirements and to offer turnkey solutions, especially DM 15,500 millions. Turnover during the last financial year amounted to in the field of plant construction. The GHH Group can act as your partner in DM 12,400 millions. Of the GHH Group's 84,300 employees more than the following sectors: Machinery, plate structures, transport equipment; plant 4,000 are engaged full-time in research and the development of new products and techniques.



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# Bush aims for White House

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

line of Republican politicians independents and Democrats. to announce his candidacy for at this stage, give much for Mr. Munday virtually promised a and partly because of the widethe Presidency next year.

The former Texas congress- ohvious wide experience, man, director of the Central familiarity with the party faith-Intelligence Agency, United ful, and impressive public Nations Ambassador, national demeanour. chairman of the Republican Party and successful businessman formally launched his candidacy by proclaiming, in the words of former President Eisenhower, that he would seek "the middle way" to the

and spend" policies of the Democratic Party, and decried Carter's lack of leadersbip. But bope might be for the be almost entirely avoided critical comments on his Republican rivals for the nonlination, seeking instead to portray himself as the candi-

Most political analysts do not,

He bas, in fact, been running

for the nomination for several months, endlessly mining the north-eastern states, which are holding early primaries next year, but without apparently denting the lead held by the Addressing a large audience at the National Press Club bere, be excortated the "tax and spend" religion of the Towns and spend" religion of the Towns and spend" religion of the Towns and spend religion of the Towns and Treasury Secretary. .

leader from Tennessee, who on able, partly because of his age

problem in his native state of dency in November next year. Texas, another critical early primary in that he will be Party is in the grip of its conexpected to do well against Mr. servative wing and, aware of Governor, and Mr. Reagan, who the right-wing creed of cutting savaged President Ford in the 1976 Texas Republican primary. ing a strong defence. He argued Mr. Bush admitted yesterday

Californian Governor, and Mr. in the Senate race, and his starting intra-party Republican bope might be for the bome is now in Connecticut. Strife. "Good intentions," he bome is now in Republican right to carve itself

But these are, as Mr. Bush proclaimed, were not enough.

MR. GEORGE BUSH yesterday date who could both unite the the leading moderate. That party's affections looks impressible the latest in the long party and appeal to moderate honour belong in Mr. Howard aive, but there is a persistent honour belong in Mr. Howard aive, but the mr. Howard aive, Bush's changes, despite his formal announcement of his spread feeling that, although ohvious wide experience, candidacy in the autumn. he could take the nomination, Mr. Bush has a porticular be would never win the Presi-

> Nevertheless, the Republican Connally, another Texan and, this, Mr. Bush was careful to in his Democratic days, state make obeisance yesterday to public spending and maintainthat this reflected the increas-

Treasury Secretary.

In theory, Mr. Bush's best beaten by Mr. Lloyd Bentson the Democratic Party than on

# 'Many die' in Nicaragua fighting

MANAGUA - National Guardsmen regained control of the northern city of Leon on Monday after many died in fierce street battles with Left-wing guerrillas, residents said. A political opponent of President Anastasin Somoza and dozens of labour leaders were reported detained, apparently to stop a May Day rally banned by the Government.

Sr. Pedro Bustillo, Leon's Red Cross director, said: "The dead and wounded in the streets are numerous." Another Red Cross official said at least 100 people were killed in the fighting, which also involved a rocket-firing National Guard plane.

Other reports said guerrillas of the Sandinista National Liberation Front apparently alipped through National Guard lines in Leon and

# House rejects oil rationing plan

KEY congressional committee 1975 Petroleum Allocation Act. has dealt a slap, but not yet a could have removed the rationfatal blow, to the Administra- ing plan-which bas already tion's standby petrol rationing been endorsed by the Senate plan, despite President Carter's energy committee from the last-minute appeal for its proposed legislation. Before

The House commerce committee yesterday voted out the rationing plan, with no recommendation nne way or another, which will now gn to the full House of Representatives for Carter bas warned that without a standhy allocation plan, it debate.

Mr. Carter said on Monday that it was "imperative for our would take six to seven months nation's energy preparedness" to respond to any widespread that the committee approve the petrol shortages. rationing scheme, which would come into effect if petrol short- is further confused by different ages materialise. These could House and Senate committee occur, Mr. Carter warned, as actions on the other three, and early as this summer.

arly as this summer.

less vital, parts of President
The House committee, given Carter's standby conservation jurisdiction in this area by the measures.

get uranium shipments

the President's public appeal, it

Despite the feeling by aome

House committee members that

the rationing scheme is inequit-

able, the battle will now be carried to the House floor. Mr.

The picture on Capitol Hill

looked like doing so.

By William Chislett in Mexico

Mexico to

THE first shipment of enriched uranium to enable Mexico to bring into operation its first nuclear power plant for producing electricity will arrive from the U.S. later this year.

Sr. Hugo Cervantes del Rio. the Director of the Federal Electricity Commission, said that the U.S. bad lifted ita "embargo" on the uranium and that 377 tonnes of enriched uranium was expected to arrive "in the next months." The uranium which Mexico hought from France for enrichment bas been held up in the U.S. because Mexico refused to accept the conditions of the U.S. Nuclear Regulatory Commission, which wanted U.S. inspectors to over-

see the use of the uranium. A compromise has been reached whereby the Inter-national Atomic Energy Agency will oversee the uranium.

# ROBIN REEVES, RECENTLY IN PORT-AU-PRINCE, REPORTS ON THE CHANGES IN HAITI

# 'Baby Doc' gets to grips with a crisis economy

ROADBLOCKS have heen up again in the Caribbean republic of Haiti. The reappearance of these symbols of the murderous

The respectation of a 300-out of gaol. In a radio internation in the Caribbean republic of Haiti. The reappearance of these symbols of the murderous

The respectation of a 300-out of gaol. In a radio internation in the caribbean republic owned companies taking advantage of Haiti's cheap labour.

The reappearance of the murderous of the prison. Haiti is still a in from all sides, in a bid to the prison. Haiti is still a in from all sides, in a bid to the prison. Haiti is still a in from all sides, in a bid to the prison. Haiti is still a in from all sides, in a bid to the prison. regime of Francois ("Papa Can Haltien, a retired customs dictaiorship, but a radio interDoc") Duvalier, the late Haitian official. M. Alexandre Lerouge, view such as this shows that plight. With an average income dictator, are a measure of the stood as an independent candi-conditions now boar little of only \$200 a year, Haltl is stirring of nolitical awareness date on a human rights night relation to the frightening easily the poorest country in among the nonulation triggered form and in a roughly compared to the stood as an independent candi-conditions now boar little of only \$200 a year, Haltl is among the nonulation triggered form and in a roughly compared to the frightening cannot be a superior condition. among the population, triggered

by February's elections in the National Assembly. They also reflect precautions taken after an attack on a police member of the paramilitary
Voluntaires de la Securite
Nationale, hetter known as Tonyour distance of the station in the sonth. Then, a tnns Macoutes ("Bogeymen")

was killed and another injured. difficulties. ne Government—headed for the political atmosphere in past eight years by Papa Doc's Haiti shows every sign of son, Jean-Claude ("Baby Doc") returning to normal. President-puvalier, 26—claimed to have Duvalier, 26—claimed to have uncovered a plot by exiles to bomb Government buildings.

Teturing to notical residence for life Jean-Claude bas already visited Cap Haïtien to mend bis fences in traditional fashion.

League. M. Maxi was accused M. Maxi, nut of prison after a of failing to disclose his two-month spell, is threatening knowledge of the plot.

usual course. Government employees were transported from one nolling station to another with packets of voting papers to preaching the constitution hy bolding him incommunicado for more than 48 hours.

This threat was issued immediately after M. Maxi came

form, and in a rousing campaign, trounced a Government

### Dictatorship

Duvalier family is running into

Apart from the roadblocks...

Up to 100 people were reported arrested, including M. Joseph Maxi, one of the leaders Joseph Maxi, one of the leaders More significantly, perbaps, and of prison after a nowledge of the plot.

The General Election took its breaching the constitution hy

Comedians," The tourists are hack in everincreasing numbers, as are meny well-to-do Haltians, driven into exile by the bloody excesses

of Papa Doc. Tensions continue within the Government between the nid guard, headed by Papa Doc's widow, Simone, 66, and a younger generation of advisers

around Jean-Claude. But the regime bas gradually softened, particularly over the past three years, and with it has come a momentum towards tackling Haīti's enormous economic problems.

It is now heing said that, providing you keep out of politics, you can do more or less wbat you like-even go on strike.

This softening undoubtedly stems partly from pressure by the U.S., to whom Haiti's repressive regime and dire poverty

picture painted by Graham Latin America.
Greene io bis book, "The Under the 1976-81, some three-quarters of investment totalling around \$800m is being financed from external sources.

It is a sign of Haiti's growing political confidence that the Government has decided to bost a regional conference of the UN Industrial Development Organisation later this year, to which it has invited, among others, Cuba and Libya.

Four-fifths of Haiti's population of more than 5m eke out a living from subsistence agriculture. In a mountainous country the size of Wales, only 30 per cent of which is fit for cultiva-The chief source of foreign

exchange is coffee, followed by bauxite. Other traditional ex-ports, notably sisal, sugar and cotton, have dried up because drought and other sethacks. l can boast a specialisa- and Israel.
the manufacture of base- Almost every UN agency is
equipment, hut most represented, with over 80 Halti can boast a specialisa-tion in the manufacture of base-

number of Haitians who bave braved a 600-mile journey by fishing boat to Fiorida in the hope of gaining illegal entry to the U.S.

Since Haiti is the only Less Developed Country in Latin America, it is receiving unprecedented attention. This is coming not only from numerous international organisations but from 100 non-governmental aid bodies

and charities.

Leading the field is the U.S. which, under the current fiveyear plan, is committed to financing around a quarter of the planned public investment of \$800m.

### Commitment

Canada comes next with a commitment of \$43m, followed hy West Germany (\$23m), France (\$7m), then Taiwan

secure a job. Inflation is low.

A crude measure of Halti's opened a special mission in unemployment problem is the Halti. It is now stepping up its efforts to strengthen fnod and cash crop production. Far an immediate problem facing FAO is the sudden spread of African swine fever to Haīti.

Restoring Haiti's agriculture and rural economy is clearly going to be a long baul. But without it, no hope exists of the country making any real economic progress.

Other priorities are the transport infrastructure, educa-tion and health. Only now is the first bard-surface trunk road, linking Les Cayes in the south with the Cap Hastien and the capital, Port-an-Prince, nearing completion.

able task. Up to 80 per cent of the population is classified as illiterate. Though a network of schools teaching a classical

existed, it has falled miserably. Lack of resources is obviously one fact, but another is that the



Atlantis Ocean

mother-tongue of the majority at 150 in every 1,000. of Haitians is Creole. Few on an empty stomach) to be the malnutrition which affects educated in a language they do some 70 per cent of children not understand.

The Government is now experlmenting with starting edu-cation in Creole and switching ment, jealous of its sovereignty to French at a later age, while to French at a later age, while is developing a school-meals programme.

Infant mortality is about 140-200 for every 1 000 births, while maternal mortality is estimated things moving.

With the help of the Warld Haitians bave appreciated the benefit of sending their children several miles to school (usually clinics to tackle this, along with

> under five. This infine of old is placing an But there is no turning back. Economic growth has risen from zero in the early 1960s to nearly per cent. and the U.S. Is clearly determine to keep

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# Ethiopians plan to resettle im people

ETHOPIA-intends to move im people from a region chronically and fair by famine to more fertile. less heavily populated areas Vais was confirmed at the UN the Monday by Ato Shimelis Addition, the Government's Com-Adams, the Government's Com-missipher for Relief and Rehabi-litation.

Atta Shimelis said that more than 2m people were threatened by drought and famine in the Wollo, Tigrai, eastern Gondar before, and northern Shoa provinces. Brita Some 22,000 heads of family had already been moved to new settlement sites.

The famine in the Greater Wollo area hegan in late 1977 and its effects have gradually become worse as a result of generally poor rainfall, crops affected by aphids and fungus.

But unlike the Government of Emperor Haile Selassle, which did little about a similar famine in much the same area in 1973 and felt partly as a result the following year, the Government of Col. Mengistu Haile Mariam has generally tackled the Greater Wollo famine efficiently, despite the economic weakness of the war-ravaged country.

### Bad maintenance

The problam in this rugged highland area is that the land is constantly being eroded as a result of bad maintenance of terraces, overgrazing and deforestation. It is over-populated and, with the popu-

lation growing at 2.5 per cent a year, it does not take much of a crop failure to tip the balance between subsistence and famine; Hence the government, backed by some outside observers, has concluded that the best long-

term hope is to reduce the pop ulation by resettling it hundreds of miles away in fertile lowland areas mainly in the south-wes of Ethiopia. A number of small resettlement schemes have been started, some successful, others

The resettlement solution pre-sents major logistical problems and human difficulties in moving people to a completely different environment. A further snag is that the Government has so far hod difficulty in attracting as much aid as it would like from western countries in view of Its pro-Soviet alignment and the fact that it has not compensated foreign companies nationalised in the revolution.

AP reports from Baghdad: Mr. Abdul Fatah Ismail Presi-dent of South Yemen, flew to Ethiopia for an official visit yes regimes.

### Four executed in Iran for corruption

Three former police officers were executed in Iran yester day after an Islamic Revolutionary Court in the northern city of Gorgan found them guilty of "heing corrupt" Revier reports from Tehran

Col Hussein Vaezi, former head of the Gorgan police, Lt. Col. Kiumars Salimizadeb, and Patrolman Alireza Kamali had been tried on Monday evening, the State Radlo said.

164 the number of people projects now condemned of funding of the Citizen.

executed by Islamic Revolutionary Courts on violence. On one document, the signa- Mulder's decision to challenge

Amount of said Delemines, an follows:

Marie Wall

# **Security Council condemns** elections in Rhodesia

BY OUR FOREIGN STAFF

strongly condemned the elections in Rhedesia and described the results as null and

The resolution was carried by the U.S. and France abstaining. This confirms the earlier condemnation of the Rhodesian elections by the Security Council, and makes Bishop Abel Muzorewa'a task in obtaining recognition for his new govern-ment even more difficult than

Britain, which wanted to have the dehate postponed because of its general election this week, said it was abstaining because it thought the elections a step in the right direction.

But it did not regard them as the threshold for recognition or for the lifting of sanctions." Britain still believes all party talks should he the next step in the search for an end to the war

Mr. Callaghan has said he intends to send Mr. Cledwyn Highes on another fact-finding mission to southern Africa if Labour wins the general

Tony Hawkins reports from Salishury: Rhodeala will press ahead with implementing the 1979 Constitution to install

THE UN Security Council has Bishop Muzorewa as the coun-; this is not the first and last try's first black Prime Minister, election, is it?" despite a boycott threat by the . He would stay inside Rho

Rev. Ndabaningi Sithole. Mr. Ian Smith, who resigns as Parliament, he went on. Prime Minister late this month. 12 votes to three, with Britain, said yesterday that it would be. a "waste of time" to set up a apecial commission to investigate the accusations of "gross irregularities" levelled against last month's elections by the

ZANU leader.

Accusations should be forwarded to the electoral supervisory commission appointed by the transitional government, Mr. Smith said. The commission has already stated that it has no evidence of widespread irregularities.

Only the Rhodesian electoral commission and the Rhodesian High Court could pass judgment on the Sithole accusations, Mr. Smith added.

Mr. Sithole, whose party won Parliamentary and two Cabinat seats in the April elections, yesterday, reaffirmed his decision to boycott the new Parliament and ignore the

desia and operate an opposition Mr. Sithole, speaking after the

normal weekly meeting of the fonr-man executive council of the Rhodesian Transitional Government, said the moroing meeting had failed to achieve anything. "Electoral irregulari-ties" had given rise to a constitutional crisis, declared.

Observers point out that it Mr. Sitbole's supporters fail to take up their seats in Parlia-ment within 21 days, then ZANU will be invited to nominate 12 blacks to fill the vacant seats.

Possibly, some of the 12 Sithole MPs will decide to ignore their leader's boycott

But whatever happens, it seems certain that the three other parties represented in Parliament—Bishop Muzorewa's United African National Council. Mr. Ian Smlth's Rhodesian Front, and Chief Ndiweni's Clearly referring to inter-United National Federal Party national demanda for UN-will implement the agree-supervised elections inside ment signed late last year to Rhodesia, Mr. Sithole said: "I establish a majority rule national unity Government.

# Namibia moves closer to self-rule

BY JOHN STEWART IN CAPE TOWN

PLANS to set up an interim halle legislature in South West Airica (Namibla) seemed close to completion yesterday when the territory's Constituent Assembly discussed a motion by the Democratic Turnhalle. Alliance calling for responsible self-government.

But hecause the South African Government is anxious to avoid steps that could be construed as outright rejection of the Western settlement initiative, the new interim authority, to be styled the National Assembly of South West Africa (Namibia), will not bave executive powers.

. In terms of the motion, the body will bave the authority to repeal existing legislation existing legislation "passed by ony authority, including the South African Parliament" and to make new laws on any internal matter except law and order, defence, foreign affairs and security issues hitherto entrusted to the South African Government. ..

halle Alliance and other by the Constituent Assembly are Namibian political parties, with processed by the Administrator the exception of the South West People's Organisation ment with certain provisions of the February 26 implementa-tion plan put forward by Dr. Kurt Waldheim, the United Nations Secretary General.

Nations Secretary General, establishment of on interim authority should not he seen as an attempt to take independ-ence without exhausting all remaining possibilities to reach an internationally acceptable settlement

all its efforts since the establishment of the Constituent executive of the Legislative Assembly last December to Assembly. The Legislative abolish residual apartheld and clude abolition of residential discriminatory practice have been thworted as a result of the administrative anomaly.

In terms of administrative of public amenities, opening of public and provide a public amenities, opening of public and provide a public amenities.

processed by the Administrator. General and forwarded to the South African state President-(SWAPO), the sponsora of the in-council who, according to motion bave been at pains to established protocol, refers them point out that, although they to the Legislative Assembly in remain in fundamenal disagree. Windhoek for comment. The whites only Legislative Assembly, which has limited

regional autonomy on the lines of provincial councils in South Africa, is controlled by the National Party, whose election front, Aktur, is bitterly opposed to the Democratic Turnhalle Alliance which, in turn, controls the non-racial Constituent

The real reason for wanting The alliance suspects that all to take legislative powers, says its proposals on opartheid the Turnhalle Alliance, is that reform are being deliberately In terms of administrative of public swimming pools and In contacts between the Turn- arrangements, motions adopted desegregation of rural hotels.

# terday. He said his purpose was to expand the already close relations between the two states; Mulder bid to implicate Horwood

BY OUR JOHANNESBURG CORRESPONDENT

scandal over the secret activities ing revelotions from Dr. Connie Mulder, the former Information Citizen newspaper.
Minister, about the complicity Dr. Mulder all Owen Horwood, the Finance

political and morals charges ture of Senator Horwood, who the evidence of leading members

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To the Holders of

THE South African Govern- the secret projects, appears appearonce in court charged ment's effort to contain the immediately beside the words with contempt of the Erasmus scandal over the secret activities "To The Point." the magazine Commission. of its Information Department which the Government now has been shattered by continu- admits was secretly subsidised by public money, ao was the

Dr. Mulder alleged that of his former government Senator Horwood had also speci-colleagues in these projects. Senator Horwood had also speci-fically agreed to disguise subcolleagues in these projects. fically agreed to disguise sub-Dr. Mulder, who is facing sidies to the Citizen, totalling charges over his refusal to more than R6m (£3.4m), in an testify before the Erasmus Com- official document. Dr. Mulder mission investigating the affair, has already claimed to have a has released detailed evidence document from Mr. John of the role played by Senator Vorster, the former Prime Minister, instructing bim to lie The executions brought to Minister, in approving secret in Parliament over the secret

has denied any knowledge of of the Government could be his

Judge Rndolph Erasmus, the commission's chairman, asked the Attorney-General in the Transvaal, the province Dr. Milder formerly led the National Party, to proceed ogainst him. But the sight of where Dr. Mulder formerly led the National Party, to proceed content over bis downfall within Government.

The extent of the division and discomfitore within Govern-ment ranks was shown today hy Die Burger, the official news-paper of the National Party in the Cape, which called for To The Point magazine to be closed.

the ruling party, as well as providing him with a platform for further evidence against the

Mr. Pik Botho, the Minister now responable for infomation; bas already insisted that it will continue publication.

Israelis to close five

factories in El Arish

FIVE ISRAELI factories operating in El Arish in the occupled Sinai will have to close Isroeli requests for fishing rights
before the town is returned to off the northern coast of Sinal,
Egyptian control and May 25, a Israel has decided to estobmember of the Israeli military lish three border crossing
delegation said yegisrday.

The model hands here is the said of the state once it

Arlsh residents to continue to border post will have banking work in Israel, until alternative and other facilities but the two

Gen. Tamir told a committee

Gen. Tamir told a committee

Jernsalem: The Israeli Govern-

tinue supplying electricity to the transfer of Israeli forces the northern Sinai town for a from Sinai to the Negev Desert.

limited time after the handover. . If prices quoted by local com-

A team of Egyptism officials, ties have said they will also led by Mr. Hassan Kamel, head invite blds from foreign groups.

will visit Israel in two weeks dent Sadat has accused Saud

tions, and to prepare for a other Arab countries to breal

meeting between the Egyptian relations with Egypt, in a bid and Israel leaders, due to be to become the leader of the

the U.S.

BY DAVID LENNON IN TEL AVIV

FIVE ISRAELI factories oper-

But Egypt will permit El.

Gen. Ayraham Tamir, who accompanied the Israell Defence Minister to Cairo, said

Egypt did not want any Israeli

presence on the territory being returned to it. Because of this,

of officialo studying future rela-tions between the two countries that Egypt was willing to permit 3,000 labourers from El Arish to

continue with their jobs in

Israel had been asked to con-

of President Sadat's bureau,

to discuss normalising rela-

held on May 27.

Israel for the time heing.

be added.

the five plants must close.

jobs are found for them.

# Violence at May Day rally in Rawalpindi

By Chris Sherwell in Islamabad

TWENTY-THREE people, including four women, were treated for pellet wounds in Rawalpindi yesterday after an attack on a May Day meeting of newapaper workers. Despite initial in-action by watching police. Six people had been arrested by last night.

The lucident may well be used as a pretext for the maintenance of tough measures against public meetings. The martial law authorities had relaxed some restrictions, especially for May Day. With elections due in November. yesterday's violence is being viewed with concern.

The trouble began when someone shouted a slogan against Maulana Maudoodi. leader of the extreme right-wing Islamic Party, Jamaati-Islami. The offender was immediately rushed by a number of people hrandishing firearms. Shots were fired, spraying pellets over the

At least two hand-granade devices also apewed peliets. Bricks were thrown and some people slashed at others with sharp instruments of various kinds. Two lerry-loads of police, armed with guns and sticks, stood by. The crowd handed over one man with a firearm who proved to be a local leader of the students' wing of Jamaat-i-Islami.
The newspaper workers

passed a resolution condemning violence and demanding an independent inquiry. Over the past few weeks the Jamaat-i-Islami bas acquired an increasing reputation for trouble. Gangs of its supporters tried to snppress the recent outhurst of anger in Pakistan over the hanging of Mr. Zulákav Ali Bhutto:

### Saniay arrested

Mr. Sanjay Gandbi, son of Mrs. Indira Gandbi, the former Prime Minister, was arrested here yesterday after clashes between his supporters and police, Reuter reports from New Delhi. Police fired tear gas to dis-perse about 2,000 of his supporters demonstrating against proposed special courts.

olcano deaths

About 80 people are thought to bove died when floods, caused by the eruption of a long-dormant volcano, swept away seven villages in West Sumatra, Reuter reports from Jakarta. The floods engulfed the villages on the Merapi volcano . on . Monday after eruptions destroyed several atural dams near the crater.

Jakarta gas supply

Indonesia's state oil company, Pertamina, has started to pump natural gas to Jokarto as part of its campaign to reduce domestic oil consumption, Reuter reports from

### Indonesian surplus

Indonesia recorded a trade surplus in the six months up to Morch, AP-DJ reports from Jakarta. Non-oii exports reached a value of over

# Air fares meeting

Transport officials from the Association of South-East Asian Nations (ASEAN) and Australia are meeting in Knalo Lumpur today in a further attempt to resolve their differences over Canherra's cheap air fare scheme between Australia and Britain. Reuter reports from Knala Lumpnr.

is handed back. The mein

smaller points will be for the Egyptians travelling to work in

These horder posts will he operated by the Interior Ministry and not the military

government, which will be with

ment will abortly invite tenders from local companies for con-struction of the third Negev Air.

field. Two are to he built by

Tenders will also be invited for other work connected with

the transfer of Israeli forces

panies are too high, the authori

ties have said they will also

AP reports from Cairo: Preal

Arabia of having "paid off

drawn from the area.

# MOZAMBIQUE REBUILDS ITS ECONOMY

Paying the price of war

BY BERNARD SIMON, RECENTLY IN MAPUTO

Mozambique's plight than taking increasing quantities of President Samora Macbel's tea, cashew nuts and citrus. willingness to bury his political The Rhodesian war h pride by seeking closer com-

desperately needed foreigo a year. The closure of the exchange, the Maputo Govern- border with Rhodesia in March ment will soon launch an 1976, bas transformed Beira ambitious publicity drive to from a bustling provincial city persuade South African traders into a virtual ghost town. Last to route more of their year the port handled only imports and exports through 671,000 tons of outgoing traffic, Mozambican ports. And for the compared to 1.6m tons in 1975. past few months the marxist Frelimo Government has been pressing for a new lahour agreement with South Africa's gold . mines to guarantee employment for tens of thousands of

left since Iodependence in worst of Mozambique'o econ-Portuguese.

According to United Nations estimates, the ovarall balance on current and capital account has deteriorated steadily from a deficit of only S6m in 1973 to \$185m in 1977 and \$225m last year. Thesa figures do not include the sale of gold received as part of the wages of miners working under contract in South Africa. which in the past has covered a substantial part of the external payments shortfall. Since last year, however. South Africa has valued this gold at the market price instead of the old official price, thereby depriving Mozambloue of a "bonus" of around \$100m

year. The UN estimates Mozambique's accumulated budget daficit at ahout \$170m, mast of which has been financed by inflationary bank lending.

been the sbarp fall of farm outchatte distribution system and

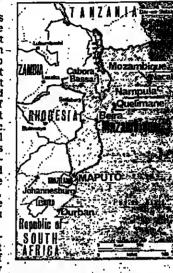
sabotage," the company was Coment exports to neighbour-notionalised last August. How ing countries, such as Tanzania ever. Sena's predicament and Madagascar, are picking up mirrors that of many other and the purt of Nacala—where companies. Although It had a new warehouse for cement is been left in privote bands, the being bulli—is expected to company's wages and prices handle about 20,000 tons of whether the Mozambicans were controlled by the government. This resulted in heavy with 10,000 tons in 1978, new business remains to be perfectly the provided by the government. The resulted in heavy with 10,000 tons in 1978, new business remains to be perfectly the provided by the government. The resulted in heavy with 10,000 tons in 1978, seen. Critics point out that losses and an unwillingoess of management to utilise product ambitious building projects tion facilities fully, which in started by the Portuguese, have turn incurred the wrath of the not been continued. Some of anthorities. Almost all the 20-30 British techniciaes at Sena

have apparently left.
Cltrus production is improvlng, bowever, thanks partly to technical help from South Africa Mozamblque's export crop tols year is expected to be around 0.5m cartons. The government is also giving high priority to the development of fishing resources, and fishing harhours are being huilt at Beira, Maputo and Queilmane. Western observers worry that Mozambique ls mortgoging some of its most valuable natural

The Rhodesian war has bave been nationalised.

wrought incalculable damage to mercial linka with South Africa. the economy. One diplomat esti-In order to bring in mstes the cost at around \$350m On one day recently, not a single guest was staying at one of the city's plusheat hotels, the Dom Carlos.

Only substantial injections of to bave caused some \$100m worth of damage to Mozamforeign currency and the worth of damage to Mozam- firm is a Freilmo cent whose replacement of the skills of the bique infrastructure, hringing approval is required for all staff 200,000 Portuguese who have severe disruption to telecommunications and transport linko. 1975 will enable President The Rhodesians are auspected Machel to pull his country out of being behind the destruction of the chaos which bas marked of two large fuel tanks near its short post-colonial history. Beira recently. And despite While there are signs that the appeals for international aid. the Mozambicans are also baving omic turmoil may be nearing to carry the lion's sbare of their rail lines and harbours.



Particularly damaging has seems to be slowly improving the sharp fall of farm out. A new tyre factory, in which several natural disasters. In plant near Nampula will, it is the northern Mapula area, for hoped, be operating by the end instance, only 60,000 tons of of the year. A number of other cashew nuts, the country's factories have restarted producmajor export, were marketed tioo, although the Government last year, as against the normal has deliberately closed down 100.000 tons. some industries, for example Sugar production bas been some industries, for example sharply cut as a result of the which relied beavily on important the same sugar, the a mntor body assembly plant is country's biggest producer, being converted to produce After accusations of "economic farm tools, sabotage," the company was Coment apports to produce

On the other hand, many

the largest buildings in cities such as Maputo, Nampulo and Nacola have atood unfinished for three or four years, and many existing structures are badly in need of repair. An overriding problem in all

sectors is the dearth of skilled manpower, Before Independence the railways, for instance, employed about 7,500 Portuguese. Now there is a total of only 350 foreignera, including Portuguese, Indians, East Germano, Russians and Cubans. It is feared that the banking sector may suffer when already have substantial fishing cantly, the Government recently this had dropped to only 2m

NOTHING better illustrates concessions, and are sald to be aigned an agreement with East Germany for help with running the banks, all but one of which

Education is age of the authorities, highest priorities, and every department of state is obliged to arrange literacy classes. Several empty stocks in Maputo harbour have been converted into classrooms, while a recreation club in Beira has been turned into a training centre. The director of the railways, Mr. Alcantara Santos says that one fifth of his staff will be given at least three weeks' technical training this year.

But even when the required Rhodesian armed forces and a skills are available, employers number of Rhodesian-backed sometimes have difficulty in dissident groups are estimated utilising them. In every govern-to bave caused some \$100m ment department and private firm ia a Frelimo cell whose changes. One large Maputo company complains that it has heen trying for months to persuade its cell to allow it to bire a qualified accountant.

open in their efforts to attract more South African traffic to an end, the country is nowhere caring for around 100,000 Rho. Many. traders, including near the level of development deslan refugees. exporters of asbestos, copper in which it was left by the low productivity there turned

them to South African ports.
Certainly, the ports and railways particularly those used by the South Africans, are being allocated a large chunk of the Government's investment spending. The arrival of 14 Brazilian locomotives has enabled the railways to return all 10 diesel engines borrowed from South Airica. Other engines are being purchased.

The rail line from the Eastern

Transvaal to Maputo is heing equipped with centralised traffic control and new heavier rails, and is being re-ballasted. Most of this work is being done by South African companies, and Mr. Santos estimates that once lbe improvements have made the line will have a daily one-way capacity of 50,000 tons, trehle the present daily average

For the ports the authorities plan to purchase over 120 forkput as o result of the exodus General Tire of the U.S. has a lifts this year, as well as a of Portuguese farmers, a stake, was opened earlier this number of pilot boats, tues and year in Maputo, while a textile cranes. Work has started on a new ro-ro herth ot Beiro, while a South African shipping line is helping to improve container handling facilitles at Nacala, which handles over half of Molawi's foreign trade...

Productivity in the ports has improved appreciably in recent improved appreciative in recent months, and a South African Railways official in Maputo notes that, "they haven't had a chance to show what they rise do." At present virtually the only South African traders using Maputo are exporters of. cbrome, citrus, vermiculite, vanadium and steel, as well as importers of sulphur and niotor

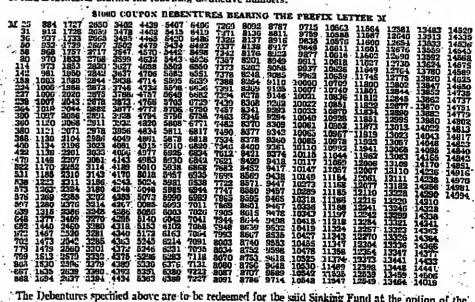
Critics point out that, despite recent the ports are still far from running smoothly. In Nacola, for instance; only six out of 34 forklifts were working in mid-March, largely due to a shortage of spore parts.

tons. In Beira equipment is so scare that front end loaders are used to shunt rail wagons. One of two conveyor belts at the Matola bulk terminal outside Maputo (used for the export of cbrome and Swazi iron ore; has been out of oction since last November, and an engineer estimatea that the facility would not be able to handle more than 3.5m tons of ore a year without resourceo to East European the contracts of o large number large capital investmenta. In countries as payment for aid of Portuguese staff expire at 1973, ahout 4m tons was loaded Russia and East Germany the end of the year. Signification Matola, but by last year

Notice of Redemption

# Philip Morris International Capital N.V. 83/2 % Guaranteed Sinking Fund Debentures Due 1986

NOTICE IS HEREBY CIVEN that, pursuant to the provisions of the Indenture dated as of June 1, NOTICE IS HEREBY Of the that, pursuant to the provisions of the indenture dated as of june 1, 1971, under which the above designated Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption through the operation of the Sinking Fund, oo June 1, 1979 (the "redemption date") at 100% of the principal amount thereof (the "redemption price"), logether with accrued interest to the redemption date, \$100,000 principal amount of said Debentures bearing the following distinctive numbers:



The Debentures specified above are to be redeemed for the said Sinking Fund at the option of the holder (a) at the SBD-Multinational Socurities -Bond Windows -2nd Floor of the Trustee, holder (all ut the SBD-Millsmational Societies—bond windows—and Proof of the Trustee, No. 111 Wall Street, in the Borough of Manhattan, The City of New York, or the subject to any lows or regulations applicable thereto, at the main offices of Citions. N.A. in Amstordam, Frankfurt/Main, Loudon (Citibank House), Milan, Paris, Citibank (Belgium) S.A. in Brussels and Chibank (Luxembourg) S.A. in Luxembourg, Payments at the offices referred to in (b) obove will be made by a United States dollar check thawn on a bank in New York City or by a transfer to a United States. dollar account maintained by the payee with a bank in New York Cily on the redemption date, at the redemption price logether with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of the said Debentures with all coopons opportaining thereto maturing after the redemption date, payment will be made at the redemption price out of funds to be deposited with the Trustee. Cuupons due June 1, 1979 should be detached and presented for payment in the usual manner,

PHILIP MORRIS INTERNATIONAL CAPITAL N.V.

lera ling affice alls Most one one bear dady tons crace

two batwo at Surveit Surveit

BY LESLIE COLITY IN BERLIN

# Third Worldsinged to Kraftwerk Union Street Gairs accept Gairs safeguards tipped for Saudi BY PAUL KHINDARIA IN GENEVA BE DESIGNATION OF THE PROPERTY OF TH

THE INSESTRUCTURED action ing the Community's position, participants of the Tokyo Round although it would like some negotiations are prepared to go softening in the Nine's insistance with a trade package with enter that they should be allowed out a safety with

to have hardened its resolve to stand by its tough position on selectivity, which led to the col-

Ulster company

in £18m deal

By Our Belfast Correspondent

THE ULSTER factory of Cames the Toxas-based oil-field equip-ment manufacturer, is to share in a £100m order for the Soviet

Camco, which set up in Ulster

20 years ago, said that its part of the order was worth £18m. It would work in partnership with

The company expects to in-

crease slightly the 220-strong labour force at its Monkstown

factory, near Belfast, to handle

Northern Ireland Department of

Commerce towards building, machinery and equipment costs.

it is adding a 27,000 sq ft exten-

sion to the plant.

With assistance from the

a French concern, Technio.

out a safeguardacode if further to impose: curbs : selectively talks on the coda fail to produce against particular suppliers without prior clearance by any surtalks. Common Market appears will land body.

. The developed countries' view. has been made clear to developing countries, which are due to lapse of negotiations last month. review the state of Tokyo Round The Community's hand has been negotiations at a major United

The Community's hand has been strengthened by firm support by Scandinavian. countries: and Ganads.

Switzerland is sitting on the femre that there is no need to change the current Article is of the General Agreement in Tariff and Trails (GATT) which lays down rules for imposition of import carbs against impringue competition from foreign made goods.

The U.S. is also partly backs of the general backs and Development (UNCTAD) this moint in Manila.

Senior did manila there is developing countries may never get a similar opportunity to obtain a safeguard clause. They argue that the existing Article is within any increasing the current for imposition of import carbs against impringue competition from foreign made goods.

The U.S. is also partly backs The U.S. is also partly back, ports from any source;

BY OUR OWN CORRESPONDENT

HONG KONG may get a three-part suspension bridge linking

the north-western part of Kow-

loon to Liantad Island (ta the west) that may cost the Hong Kong Government HKSIbn

(£96m) at present-day costs,

The proposal for this bridge,

which will look similar to the

Golden Gate Bridge in San

Francisco, was made after a

feasibility study by Government-

appointed consultants-a group

comprising Mott Hay and Ander-

son Far East, Per Hall Con-

It can read the sort list, proof and microid to the sort list, proof and microid to the sort list.

Trade Development Council.

according to the Hong Kong the main crossing-one of the

sultants, L. G. Mouchel and work hegins promptly, the pro-Partners (Asia), and Harris and ject could be completed by Sutherland Far East, A 1984.

'As more developing countries become aignificant exporters of products that compete more effectively with locally made goods in industrialised countries these governments would be forced to take an even less liberal stance concerning safe. guard aegotiations than at

present.
The hope now is that the hard The hope now is that the hard liners among developing countries will be persuaded by their colleagues in Manila to accept a safeguard code which allows for selective application of import turbs under certain extraordinary conditions and subject to close surveillance. The Common Market will also have to soften its stand concerning surveillance measures. The safeguard codes negotiations which will resume in Geneva after the Manila conference are due to reach conclusion by July 15.

decision will be made within three months.

If the proposals are approved, Hang Kong will be the first typhoon prone area to bave

The suspension bridge over

longest of its type in the world

—will have a clearance of 62 metres for shipping while that across the Kap Shui Mun

channel will provide a 50-metre

The report recommends that

It is expected that If design

The

Cocument master.

cratter and reduces the cost of handling cheques and

remittance documents.

the crossing will initially cater for four lanes of traffic.

·U.S. and French companies were competing for the project, were competing for the project, but the Americans dropped out earlier in the bidding. In March, KWU, completed its DM-1.8bn, Jidda III desalination plant and power station, which, it is believed, made it a favourite to gain this project. The final contract price is said to be considerably less than the £1.03bn HK may get £96m bridge

A CONSORTIUM headed by original low bid reportedly sub-West Germany's largest builder mitted by KWU last year.

of electric power stations, According to Press reports in Kraftwerk Union (KWU), is Saudi Arabia the contract is by reported to be on the verge of far the biggest ever awarded by the Saline Water Conservation winning a: DM :1.5bn (\$771m) contract to build a desalination. Corporation and the largest in plant and power station at Saudi Arabia's second five year Al-Khobar in Saudi Arabia. plan (1975-80). The contract would be parti-

The KWU-led consortium includes French and S. Korean companies which would build a desalination yiant capable of producing 288,000 on metres of fresh water daily and an adjacent powerstation with a capacity of 750,000 kW. The profect is to be completed by cularly welcome at KWU, a Signess subsidiary, as the com-pany still does not know whether it will be permitted to complete two 1,300 MW nuclear power-plants in Iran, which are in an advanced state of construction Advanced state of construction.

KWU has 500 West Germans
at the site and 700 framans. A

KWU spoksman says the company has only the barest
hepe of finishing the stations,
which were to have been completed in 1981 and 1982, KWU
also had a letter of intent from
the Shah's Government for four project is to be completed by

the Shah's Government for four stations in Iran, but the present authorities in Tehran said recently that these will not be built

In addition, it was reported

from Cairo that Egyptair had

Airbus Industrie for three

Egyptair also initialled an

agreement with McDonnell Douglas of the U.S. for four long-range DC-10 tri-jet air-

liners, worth about \$300m. The Brazilian and Egyptian

orders bring total orders for the European Airbus to 290 aircraft, of which 198 are

A-300s and 92 are A-310s.

A-300s, worth \$99m.

Brazil joins Airbus list

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE EUROPEAN AIRBUS

continues to sweep through

world airliner markets, with

further orders from two air-

lines yesterday for five air-

craft, with two more on

option, worth in all about \$231m (£112m).

Cruzeiro do Sul, bas signed

for two A-300 airliners and

has taken an option on another two, worth in all

e pass, eliminating reruns. And, data is captured

The S 3000 is a modular system available with 4 to

of transmission to a central computer; avoiding

And remember, when you buy a Burroughs

mirther processing.

Brazilian airline,

The '

# U.S. Supreme Court rules against California ship tax

ing Jananese and California risk of retaliation by Japan, shipping interests has been under these circumstances, is removed by a Supreme Court ruling that the cities of Los hecessity would be felt by the Angeles and Long Beach can nation as a whole," the court not levy preperty taxes on held.

Under these tritumstances, is compared to the court held.

Under the ruling the cities of the court held.

ports. The court decision on Monday, which overturned a Cali-fornia Supreme Court ruling against which six Japanese shipping lines bad appealed, held that the U.S. Constitution forbade such a tax on foreign

The majority opinion of the U.S. Supreme Court, written by Justice Harry Blackmon, argued that California's unilateral tax created risks of double taxation by the State and the Federal Government, that it prevented the U.S. from speaking; "with one voice". In regulating foreign trade, and ran the danger of retaliation by Japan, the country whose shipping was most affected by the

taxes
U.S.-owned cargo containars

POTENTIAL dispute involve are not taxed in Japan. "The must refund some \$550.0

tainers' temporarily in their of Los Angeles and Long Beach

(£269,000) paid in taxes by the six Japanese shipping com-panies. Last year 12 countries, including the UK, protested to Washington about the Cali-furnia taxes, because none of them imposed any taxes on U.S. containers in their ports.

# £7m tractor order for MF

FINANCIAL TIMES REPORTER

the company's distributor in

The largest part of the order will be supplied by Massey-Ferguson sources in the UK, including upwards of 100 tractors to a value of some £7m...

AN-ORDER: worth a total of Series, which was Britian's first some £8m has been placed with million selling tractor range.

MF in Britain will also supply 49 combine harvesters, three of which are of special rice har-

vesting type, together with a number of manure spreaders and mowers. The remainder of the nrder will be provided by MF plants

in France and Australia-The Japanese order follows a similar success for MF in Sri Lanka where orders valued at £5m have been obtained for Ranging from 47 hp to 79 hp.

the tractors are of the 200 similar success for MF in Sri
Series, which went into production at Massey-Ferguson's E5m have been obtained for
Coventry plant in April as a farm tractors, again supplied
development of the MF 100 from Coventry.

# SOUTH KOREAN PETROCHEMICALS

# Self-sufficiency planned

KOREA'S progress becoming the tenth petrochemical manufacturer in the world—a progress timetabled for completion in 1981—has been perhaps the least noticed feature of the country's rapid industrial development The explanation lies in the

fact that in spite of growing at more than 21 per cent a year (at constant money values) in the last 15 years, the industry bas remained small in unit size and low in technological resources and therefore uncomin international Korea's basic asset for export competitiveness in: industries like textiles and electronics—that of cheap labour—does not apply in the capital intensive chemicals Industries. As a result Korea has not been in a position to export petrochemicals profit-ably.

Further, the Korean petro-chemical industry has expanded only at the same rate at which domestic demand for chemical products has been growing and it is only in the course of the present five-year plan (1977-81) that progress is being made in import substitution. But the Import substitution. But the end of the next decade, Korea expects to be emerging as a significant force in most major areas of the petrochemical and fine chemical industries.

The basic component in this strategy is the Government's establishment of three unified petrochemical complexes, with a fourth expected to move into the planning stage in the next

two years. The first 19-plant complex, now well-established in the Ulsan area, has a naphtha cracking capability of 155,000 tonnes a year (on an ethylene basis), but the second plant now virtually complete at a cost of \$1.2bn

further west along the southern

achieving internationally accepted conomies of scale By 1986, total Korean production on an ethylene basis is put at on an emplete was year. This represents about one quarter of Japan's 1977 capacity, but will give Korea self-sufficiency in all petrochemicals, Government believes. Because of its clearly unprofit-

Government financed the first Ulsan naphtha cracker directly Korea Oil Company and Gulf Oil. Gals will probably be bought out later this year. Government also took a direct stake in many downstream facilities in order to attract foreign technology, but as these have become established it has sold . the Interests to private companies. This was the case, for example, with Korea Pacific Chemical Corporation, the country's fourth rank chemical company, which is now 50 per cent private Korean interests and 50 per cent Dow Chemical. cracking facility at Yochon has also been passed into private hands before full-scale operation of the complex and is now owned 80 per cent by the Daelim group, which has beavy construction interests and 20 per cent by Lotte, in a joint holding company, the Honam Ethylene Company. In the

coast of the peninsula, at continue to provide guaranteed Yochon, has a nominal capacity loans to favoured projects. of 350,000 tonnes and is forecast to achieve actual product the Government retains an

cast to achieve actual produc-tion of 420,000 tonnes. A third important role is in the foster-complex alongside Yochon is to be started in 1980, with a similar capacity and the fourth unit due to start operations in 1988, but not yet planned in detail, will reach in excess of 500,000 tonnes—thus achieving internationally the industry's workforce, com-pared with 27 per cent in developed countries. ...

In an attempt to improve this situation and create a research and technology base to match the increasing scale of petro-chemical production, the Government is establishing a Chemistry Research Institute at Daedoc. It will also continue, to some extent, to protect the domestic industry from com-petitive imports of petroable loss making nature, the chemical products, although the Government's general policy of import liberalisation aims slowly to reduce these supports as the industry's international competitiveness is established. It will also encourage use of domestic machinery and plant construction companies, an area being rapidly developed by Korea's heavy industrial groups.

At present, there is still a long way to go in all these fields. In 1979, Korea's exporters of finished plastic products, foreign supplies for 50 per cent manufacturers of chemical fibre textile industry will depend on foreign suppliars for 70 per cent of their AM Monomer and all their TPA. Korea's determination to proceed towards self-sufficiency hardened in recent months by rapid increases in costs of some of its petrochemical imports and—even more serious for a country obsessed by the need to deliver on time-of shortages

### KOREA'S MAJOR PETR OCHEMICAL COMPANIES

third complex, the Government

does not expect to bold any direct stake, although it will

	Main product	Total sales (1977)	Net profit (1977) \$		Ownership
Korea Oil Corporation	Ethylene	180m	5.7m	203	50:50, Korea Developmen Bank, Gulf Oil
Korea Plastic Industry Corporation	Polyvinyl chloride	87m	2.7m	1,626	Independent
Korea Petrochemical Industries (KPI)	High density polyethylene, polypropylene		4.1m	385	50:50 Marubeni, KPI
Korea Pacific Chemical Corporation	Low density polyethylene	59m	5.6m	585	50:50 Dow, Korea Pacific
Hankook Caprolactam Corporation	Caprolactam-	57m	. 3.3m	489	Independent
	Source: Mini	stry of Con	merce and	Industry.	

### NOTICE OF REDEMPTION

# Monsanto International N.V.

83/8 Guaranteed Sinking Fund Debentures Due May 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May I, 1970 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has drawn for redemption on May 15, 1979 through the operation of the Sinking Fund provided for in the said Indenture, \$1,400,000 principal amount of

repentures of the sain issue. The Debentures drawn for redemption, each to bearer form with coupons attached, and each \$1,000 principal amount and bearing the prefix letter M, are:

All Debentures hearing numbers ending in the digit 5, which lie in the range 00005 through 19965, inclusive. All Debentures bearing numbers ending in the digit 8, which lie in tho range 00008 through 19998, inclusive. Those Debentures bearing numbers ending in the digit 2, which lia in the rango 12902 through 19972, inclusive.

The Debentures specified above are to be redeemed for the said Sinking Fund at the WCG-Corporate Bood Services Department of the Trustee, 111 Wall Street—2nd Floor, New York, New York 10045, and the main offices of Citihank, N.A. in Amsterdam, Frankfurt/Main, London, Milan, Paris, Rome, or Citihank (Belgium) S.A., Brussels, or Citihank (Luxembourg) S.A., Luxembourg, as the Company's paying agents, and will become due and payable on May 15, 1979 at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to of the percent of the principal emount energy plus accrued interest on said principal amount, such date. On and after such date, interest on the said Debentures will couse to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the precedif paragraph on the said date with all interest coupons maturing subsequent to the redemption date.

Coupons due May 15, 1979 should be detached and presented for payment in the usual manner, For MONSANTO INTERNATIONAL N.V. By CITIBANK, N.A.

April 15, 1979

# system, you get more than just equipment. You get our 90 years experience in information management. Plus system software, application programs, training and system support—even the business forms and in a single pass through the system. Unreadable documents can be corrected during supplies you need. See Burroughs document masters in action. Phone your local Burroughs office or contact Burroughs Machines Limited. Department PRA. Heathrow House, Bath Road, Hounslow, Cranford Middleses, England TW 5921. Burroughs

# £45m plan for new rail freight wagons

A JOINT public sector and private sector committee will meet for the first time today to arrange a £45m financial programme for new railway freight wagons.

Bodies represented include the British Steel Corporation, the British Independent Steel Producers Association, British Rail, and the British Scrap Federation. All accept that a new fleet of rail wagons is needed to transport scrap iron and steel. The old fleet is wearing out rapidly.

Each wagon will cost up to £20,000. The committee has first to agree to the new design. There are two competing proposals. The first is a 50-tonne capacity railway truck. The second is a rail bogy able to carry two containers each of 25 tonnes carrying capacity.

Supporters of the bogy system claim it will be more flexible and will enable the Supporters containers to be used to carry scrap by road fransport as well as rail without additional bandling costs.

The committee is likely to hined fleet of the two types of because none of the parties con-stockholders are expecting a

cerned can guarantee substan- general rise in steel prices of tial contributions. British Rail about 5 per cent in July or is saying that it does not have August Demand for steel is risthe necessary funds. British ing slowly. There is less surplus Steel Corporation, already production in Europe than heavily in debt, is unlikely to there has been for three years. agree to allocate a major sum.

pared, if necessary, to switch their business from rail to road although they have warned the sustain higher prices. But its Government that serious road pricing executives are watching congestion would result in the situation closely. A straw main scrap areas—South Wales, in the wind is a notification by South Yorkshire and Scotlandif some 4m tonnes of scrap a year were to be sent by road.

Mr. John Wheatley, president of the British Scrap Federation, said yesterday that his federation was pleased that the com-mittee bad been set up to make recommendations. The federation bopes that the committee will report by October.

Shortage of wagons on the British Rail system bas been getting more serious in recent weeks, according to the scrap merchants. The British Rail computer is being blamed for losing" them. According to the BSF the computer does not seem to be differentiating between loaded wagons waiting wagon. The programme will for unloading and empty wagons need Government financing Steel purchasers and the steel

there has been for three years.

British Steel is unlikely to The scrap merchants are pre- make a general move to raise prices until it is certain that the market is strong enough to and other customers of a 5 per cent increase from May 6 in the price of cold rolled stainless steel sheet and plate.

European producers have also raised their prices for that type of steel by a similar amount. Mr. D. K. Rae, vice-chairman

of the stainless steels product group of the National Association of Steel Stockholders, said last night that the increase would hring the price of cold rolled stainless steel sheet back to the level of early 1977 before steel prices were affected by the interoational crisis in steel

The stockholders, who are holding their annual conference in Torquay this week, believe that further price rises in many forms of steel products are in-dicated for later this year

# Chrysler chief returns to America

Motor Industry Correspondent

MR. GEORGE LACY, former managing director of Chrysler UK, has resigned from the board and has returned to Chrysler in the U.S.

In the United States he becomes the director responsible for Chrysler's emission control and fuel economy programme. This is a major post because, like the other U.S., car companies, the group's major pre-occupation for some time to come will be how it can meet increasingly stringent emission and fuel economy regulations. Mr. Lacy, 57, graduated as a chemical engineer and spent most of his early career with Chrysler in his native Canada

director of Chrysler UK in October 1976 at the time the UK Government's financial rescue plan for the company took effect. Following the takeover of Chrysler Europe (including Chrysler UK) at the beginning of this year by the PSA Peugeot-Of this year by the PSA Peageot Citroen group of France, Mr. Lacy decided to stay with Chrysler U.S. but remained some months in Britain to assist In the smooth handing-over to Mr. George Turnbull, Chrysler UK's new chairman and chief

He took over as managing

# £1.4m low-rent housing to attract skilled workers

BY ANDREW TAYLOR

to areas of high-cost housing has been suggested in Poole, Dorset. Businessmen there have combined with the borough council to promote a £1.4m low-reot housing scheme to attract workers to the district.

A 103-dwelling estate has been developed in Poole by the West Country-based Knightstone Housing Association. Under the terms of the scheme most of the accommodation has gone to workers sponsored by local firms

or the local authority. The initiative for the Creekmoor Estate project came from Hamworthy Engineering, a sub-sidiary of Powell Duffryn, which claims to be Dorset's largest industrial concern, with about 3.000 workers.

Hamworthy; which makes a wide range of engineering products, including marine equipment and castings for the motor industry says: "We were faced with a major problem of trying to recruit skilled workers to Poole and found on investigation that public authorities and local businesses were facing similar difficulties.

"Recruitment labour is a major beadache for ing to attract workers to regions There are also plans to build for Hamworthy.

A NOVEL solution to the prob where housing costs are higher or improve 2,300 dwellings in lem of attracting skilled workers than in the industrial areas Wales. Targets for Scotland where these workers are being have still to be fixed.

Sought," Hamworthy, in a bid to solve this problem agreed with the borough council to sponsor the Creekmoor development through the Knightstone Housing Association. Dorset Chamber of Commerce was later called in to represent other firms in the area.

The scheme was made possible by the 1974 Housing Act which permits non - profit. making bousing associations, like Knightstone, to obtain Government grants and borrow public money to build "fair rent the housing corporation was set up as the sponsoring body and to oversee this voluntary hous-

### £634m budget

This year the corporation has budgeted to provide up to £634m in the form of grants and loans to UK bousing associa-tions but figures have still to be agreed by the Government.

It is planned to use the money to build about 18,700 new large numbers of companies bomes in England and provide if a home is vacated it goes throughout the UK. But the finance for restoration work on back into the pool for reproblem is worse for firms seek- a further 17,900 dwellings, allocation," said a spokesman

A corporation official said he thought that the Poole project, aimed at easing the problem of local labour shortages and supported by a combination of local firms, council and housing association, was the first of its kind.

The scheme was entirely funded by the corporation. Of the £1.4m spent developing the Creekmoor Estate, 80 per cent was provided through grants. and the remainder by loans.

Knightstone, which manages the estate—built on a ten acre site bought from the local anthority for £230,000—says that rents range from £36-82 a month to £53-08. These, it says. are very competitive for the area. Properties range from three-bedroom houses to one-and two-bedroom flats with a couple of two-bedroom bungalows.

Workers who are provided with accommodation on the estate will not be thrown out if they change jobs. "Any local undertaking can nominate mem-bers of staff for accommodation but this is not tied to the job.

# Scots aid will enable Maxim to expand

By Ray Perman, Scottish Correspondent

THE SCOTTISH Development Agency has invested nearly £500,000 in the Glasgow-based security alarm company Maxim Alarms.

It has bought a 48.9 per cent stake in the company from the Edinburgh group Thistle Industrial Holdings, which retains a similar share, and has advanced £125,000 on a 10-year secured loan. The remaining share capital is beld by Mr. John Mitchell, the company's founder and managing director, and bis

Maxim makes in Glasgow electronic security alarms against intruders and fire for all types of building. It has branches in several British cities for installation and servicing and yesterday opened its first London office.

The company intends to use its extra capital to open two further London branches and a Midlands branch and to expand export sales. It has half the market for burglar alarms in Scotland and is the sixth largest UK company in the field.

# **Brokers fear tough** year for economy

THE WORLD ECONOMY will to take effect and it would be be faced with a bard upbill realistic to espect the public struggle over the next year, according to stockbrokers to decline to under £7bn.". Wood, Mackenzie and Co.

In its latest circular the firm says there are three problems in particular that will lead to both deflationary and inflation-

ary pressures. These are the prospect of a severe slowdown in the U.S. firm. economy in the second balf of Co the year. Secondly, the sharp rise in oil prices which will push up inflation, lead to instapush up inflation, lead to instability in financial markets and add to the financial problems of developing countries. And thirdly, the current trend towards fiscal and mooetary austerity which may prevent the adoption reflationary the adoption reflationary austerity which may prevent the adoption reflationary policies.

According to Wood, Mackenzie, these three factors will £ firm. make it bard to avoid a major was slowdown in world growth. At and best, the firm expects real growth in the OECD area to decline from 3 per cent this year to only 2 per cent in 1980. It' adds: "If governments maintain restrictive fiscal and mouetary policies, 1980 growth

could be as low as 1 per cent." Such a poor performance will lead inevitably to rising unemployment and all its attendant social pressures, the firm

Tory victory

ora et el La Como

Furthermore, the volatility of exchange rates may restrict any decline in interest rates, which one might expect to accompany slowing in growth and easing of monetary pressures, to a few countries with strong curren-

Brokers L. Messel say in their latest circular that a Conservative victory in the UK would probably not bave an immediate effect on economie prospects. However, a Tory Government could produce quite striking results over a two to three year period. The impact of a new govern

ment would become noticeable in 1980-81 and increasingly so ter years. "Spending cuts unced in 1979 would begin

CONTRACTS

In subsequent years the steady rise in the yield of petroleum revenue tax and corporation tax paid by North Sea oil companies could "revolutionise" Britain's financial position, according to the

Combined with the cautious fiscal and monetary policies which the Conservatives have advocated, the oil revenue could

tive by the mid-1980s.

Two other brokers - Laing Gee-argue that sterling is likely to remain firm this year. Laing and Cruickshank says that pressure on the current account and on manufacturers competitiveness would not be severe at a trade-weighted index of 67, and there is no reason on this basis why reason on sterling should not recover its very recent losses after the

The fundamental conclusion is that sterking will remain very firm this, year, with a rise against the European currencies very likely. The pound could appreciate 4-5 per cent against the European Monetary System basket, while easing back against the dollar," it concludes.

Kemp-Gee says that if one cepts that the UK's balance is the best explanation for sterling's recent strength then the prospects for continued exchange rate stability seem

If, in addition, fiscal policy is likely to be tightened at a time when the economy is slowng down and we argue that this appears to be the policy of both political parties then sterling could well remain in over the next 12 demand months," it states.

# Invisible asset.

# Davy International wins £4½m Coal Board job

The National Coal Board South bead. Valued at about £48,000, Notts, area has awarded a £41m contract to DAVY INTER-NATIONAL processing engineering division for the uprating of coal preparation plant at Bentinck colliery. The contract covers the design, supply, installation and commissioning of a raw coal primary screening section, two washboxes, three centrifuges, a rotary filter and a computerised blending system. The project also includes an extension to the existing building with amenities and office

accommodation. An order worth nearly £1.1m for air-conditioning systems for Britain's new airliner, the British Aerospace BAe 146, has been placed with NORMALAIR-GARRETT of Yeovil, Somerset.

CLUGSTON CONSTRUCTION. Senziborpe, has a contract worth about \$750,000 from AMC Invest-Lincoln, for the construction of a superstore and other works on a site between Newlands and Brayford Wharf North, Lincoln. The work is expected to take about 15

ESH TESTING is to install a high-rate servo-hydraulic testing machine in the Central Elec-Generating tricity Generating Board's research laboratories at Leather-

it is believed to be the highest powered machine of its kind in Europe. Used to examine the failure of welded joints by brittle differs fracture it differs from conventional machines in that it develops its force at bigh speed. exerting 25 tonnes at displace ment rates up to 2.6 m/second.

DANKS OF NETHERTON has won two contracts worth £175,000 for boilers in Yorksbire. Trent Regional Health Authority has ordered a 25,000 lb of steam/hour coal-fired boiler for the Northern General Hospital in Sheffield. The Ynrkshire RHA has placed a contract for a 26,000 lb of steam/hour coal fired boiler for the Stanley Royd Hospital, Wakefield.

Overseas and home contracts worth over £750,000 have been awarded to ARNOLD MON-TROSE. designer and manufacturer of decorative lighting orders Among the contracts are orders totalling £500,000 for lighting for Intercontinental Hotels in the Middle East.

The Bradford-based majo jects division of N. G. BALLEY AND CO. bas won a contract worth about 2660,000 for the complete installation at the plant of BP Chemicals in South Glamorgan. You can't actually see fresh air. Or peace and quiet, or water purity. But a decent . environment is an asset which everyonevalues; an invisible asset.

And, like blank space in a newspaper, it comes at a price.

At Mobil's new refinery development on the Thames Estuary, that price will be around £12 million — the cost of equipment to curb air, water and noise

is even £12 million enough? There'd be still less risk if we spent more. But as well as protecting the environment, companies have a responsibility to hold down the cost of their products. And no amount of

investment would completely abolish. pollution - or eliminate the possibility of human error.

So where do we draw the line? in practice, we don't. Environmental standards for industry are set by government authorities. Companies can either stick scrupulously to those basic standards or, as many do, they can go a little further, to improve conditions for their employees or to leave a safety margin a little extra insurance.

But, as with any insurance policy, the degree of risk must be weighed against the cost of the premium.

Environmental standards are a delicate

compromise between what technology can achieve and what society can afford; and that's a balance which can only be struck for society through its elected representatives.

Industry's responsibility is to demonstrate a real concern for the environment; to meet government standards without cutting comers; and to use its imagination and skill to meet them at the lowest possible cost to the consumer.

Mobil's £12 million may seem a lot to pay for an invisible asset. But It meets public standards generously, at the lowest cost we can manage.

And that's money well spent.



Proof that Talisman, the Stock Exchange's

new computer settlement system, actually

works: First settlement of securities by com

puer was completed at 0.30 yesterday morning

to mark the first account day framed share certificates for five shares in Kalamazon were

presented to Mr. Crispin Gascoigne (second

from left) chairman of the settlement services

committee, and Mr. Robert Fell (second from

Aid for safety

windscreen makers

investment. In addition, the finance made available to the

company has made it possible to negotiate new overdraft

pany's bankers, Barclays. An application has also been made.

for a loan from the Enropean

The deal, which has been in

negotiation since the end of last

year, is due to be completed

tomorrow. The timing of the

announcement will be inter-

preted as one of the final shots

in the election campaign. The move into the vebicle safety-

glass market, now dominated by

Triplex, the Pilkington sub-sidiary, will create an additional

100 akilled and semi-skilled

jobs over the next few years.

on top of the 200 existing jobs

The NEB's director in the

nolly, said last night that the investment in Thermax bad

been made on the basis of its

remarkable record of profitable

forward to assisting it in its

North East, Mr. Gerald Con- Port's profit fall

at Thermax.

capital requirements, are put at growth. The NEB was looking

ICL will reorganise

plant in Manchester

group. is to complete a major completing, too, a new factory reorganisation of its activities at Ardwick in Manchester with the rebuilding of its West Gorton site.

supplier of computers, will be Gortoo are due to be transferred speeding an estimated £5m-£10m there. Another 1,000 will be

BY RHTS DAVID, NORTHERN CORRESPONDENT

National Enterprise

Board's North Eastern office In

Newcastle-on-Tyne is to make ita biggest investment yet in a Bisbop Auckland company which hopes to erbak into the market for curved safety-glass in motor vehicles

The company. Thermax; was attriced in 1974 by four Australian husinesamen. It has

since built np a turnover estimated to reach £3m this year from the sale of safety glass

for comestic apliances, such as

cooker doors, and for tractors

The NEB finance, which will take the form of £350,000 in

convertible preference shares and £350,000 medium-term loan, is being provided to enable

process, which, it claims, will give it a cost advantage over

competitors in the production

Total cost of new facilities

which the company is planning, together with increased working

BY-RHYS DAVID

The group, Europe's blggest

on a new centre for the design

and development of advanced computer technology and systems. Work on the project will begin this summer, if the

necessary planning consents are

printed circuit boards.

to exploit a new

more than £1m, most of which forward to assis will come from the NEB's future expansion.

in motor vehicles.

and caravans.

# Nuclear power the safest kind of energy?

BY DAVID FISHLOCK AND ROY HODSON

NUCLEAR POWER is the the Scottish Campaign to Re-engineers become comparatively. Safest way of producing energy, sist the Atomic Menace had les thick on the ground and, with the possible exception of attracted a significant follow- candidly, that could mean natural gas, no matter how the ing. They spent "endless hours reactors are in the hands of statistics are analysed. Sir John marching under emtive hao-incidequately educated, in-Hill, chairman of he UK Atomic ners, he said, and yet were formed or experienced people." Energy Authority, told a "unwilling to sit down for a symposium in Glasgow yester-fraction of the time to study the

Scotland, Sir John said, sur-wived a "melt-down" in its Chapeleross nuclear power station 15 years ago when a fuel channel melted. No one had been hurt.

It had taken well over a year to repair the reactor—one of four at Chapeleross—but toda; it was generating well above its original design figure.

Another Scottish station, the 300 MW Hunterston A piant, probably had the hest longterm operating record of any commercial nuclear power station in the world, he said.

availahle.

facts dispassionathely." Three years of "quite sub-stantial" research, all round the world, had produced most deplacements for fossil fuels when and gas. they ran out. Such energy forms could be harnessed but the cost —"except in the most unusual oil and gas. But that did not circumstances"—was shown to obvious the need to plan be unacceptably high. More-sensibly and manage energy over, the size of structure required to catch a significant amount of a thinly dispersed energy created eovironmental difficulties greater than with conventional methods.

station in the world, he sale.

The development of nuclear with nuclear power, but seem to make reactors "more and more foolproof," Sir Samuel oringinal and vicebest Scottish tradition of enter- Curran, orincipal and vice-prise, ambition and making the chancellor of Strothelyde Univery best out of the resources versity, sold the symposium. With large-scale expansion of It was disappointing, Sir John mucher power "the really well-said, that such organisations as informed scientists and

Sir Francis Tombs, chairman of the Electricity Council, said that lack of determination could impede energy development and fritter away the time required for orderly and purposeful pressing results for wind, wave, development of substitutes for tidal and solar energy as re. Britain's limited supplies of oil

> Britain was in a strong position, with big reserves of coal resources effectively.
>
> O Sir John Hill, the Govern ment's chief nuclear adviser, is the first recipient of a new award by Foratom, representing 14 European nuclear nations for his "outstanding contribution to the advancement of

> ruclear power in Europe." The award—a allver salver—is to be presented by Dr. Rudolf Guck, president of Foratom and a German electrical utility Badenwerk, at the Forotom Congress in Hamburg next week.

# Newspaper Society urges Press freedom charter

FINANCIAL TRAES REPORTER

THE next government should freedom of the Press against the danger of closed shops, says the Newspaper Society in its Charler. But a special Press annual report out yesterday.

The society, representing owners of provincial newspapers. bas written to all the parliamentary candidates to warn them of or improperly interfere with the the danger of the closed shop to the Press. It has collected papers by politically motivated

The report criticised members of the National Union of lournalists for trying to "hinder tha free flow of news" during the rawsy areas of editorial conclern seven-week provincial news remained statle.

The area of prime concerns

PUBLIC NOTICES

COUNCESTER CITY COUNCIL BILLS
20.000 bills resum 11 Amril 1679. Ouc
10.000 bills resum 11 Total apolicalaily 1979 at 11 m 5 bills outstanding
18 £1.5m. No other bills outstanding

BOND DRAWINGS

REPUBLIC OF PORTUGAL

51% DOLLAR BONDS 1979/31

THE next government should On Fress freedom, the report enact a charter to secure the said the last Government's attitude was that "there is very freedom: committee of the society "has continued to collect examples of politically multiplied union action to censor

> content of newspapers." "The committee will now congovernment and new parlieriont," the report says. The last Government's " reluctance " to pursue its consultations on the Press charter and meant that,

concern at the standard of to editors has been the attempt young journalists coming into by the MUJ during the Decthe profession. Their proficiency differ the first to binder, test examination results were entirely the free flow of newstary pyrobably the worst on and information to the public."

# Challenge to NEB in

Financial Times Reporter

GRUNDY of Teddington is to take its fight against the National Euterprise Board to the House of Lords today in an effort to prevent a joint venture a U.S. company by the NEB for the manufacture of computer peripherals.

agreed between the NEB's sub-sidiary Data Recording Instrument and the U.S. company,

pean market. The deal is being opposed by Grundy which founded Data Recording Instrument 25 years ago and still holds a 13 per cent stake in the company. Grundy falled to obtain a High Court injunction preventing the deal

In Minneapolis the U.S. Control Data Corporation sald yesterday that it was awaiting the oulcome of the litigation. Unless prevented by the courts, CDC intends to go ahead with the deal which would give it 25 per cent of the joint venture in exchange for access to CDC's

# North Sea bonus for BNOC

THE BRITISH NATIONAL OIL Corporation has confirmed addi-30/173 in the central North-Sea close to an earlier find made

reservoir's ability to produce at high rales over a longer period.
SMOC and its partners on the

ment plan could be ready to submit to the Department of Energy by early next year, Oil located in the latest well,

30/175-5, could be produced from subsea wells connected to a main platform, but it is unlikely to justify a separate plat- 1695.

# Lords today

Control Data Corporation.

It is planned to make and develop magnetic disc memory

units in the UK for the Eurolast week.

By Kevin Done.

last year. Almough the latest well on

this block produced an ap-parently encouraging flow of oil of 2.510 barrels a day, there he serious doubts about the block Shell and Esso, are still

### pleted by late 1981. the local authorities involve More than 4,000 people are demolition of the existing build-employed in Manchester by ICL, lings on the West Gorton site and their replacement by most of them at West Gorton. the company's base for manu-new microsystems facility, a facturing its large 2900 Segies computer ball, laboratories new microsystems facility, a computers and a range of workshops, offices and a restaurant

ICLY Britain's hig computer The company is currectly Old site, new jobs

About 450-500 staff from West

transferred to a second new

factory now heing completed at Ashton-under-Lyne, which will

take over manufacture of the

The plans now laid before the local authorities involve

2900 Series computers.

hoping to develop the earlier THE. NATIONAL TRUST'S trustees said they expected find on the block, and a develop offer of £600,000 to have the holy offers in excess of \$1.95 offer of £600,000 to buy the holy island of Iona off Scotland has been turned down. Family trustees of the Duke

of Argyll, expect to put Iona on the open market later this month. The Dukes of Argyll have owned the island since

# Bid for Scottish island rejected

It has been rumoured that there was Arab and Mormon interest in buying the three-mile-long island off Mull.

Iona, with only 85 inhabitants and 15 crofts, is being sold hy the Duke's trustees to meet Surveyors acting fur the £550,000 in estate death duties.

# Farm machinery claim settled after 3½-month court hearing

ing company over the supply of crop-drying machinery, ended yesterday whe nthe parties reached an agreement on undis-

Hotel because there was no machinery failed to do the job. am very happy to see the end courtroom hig enough to hold Yesterday, wheo counsel for of his long case."

A HIGH COURT action lasting the 40 people involved, including three-ano-a-half months in ing court ataff, sound engineers ting his client's case, the judge and 12 counsel with more than farmers sued a major engineer- 10,000 documents.

Mr. Arden had yet to finish putting his client's case, the judge was told that an agreement had here reached between Mr.

shire Crop Driers, of Misson, closed terms.

Bawtry, Lincolnshire, sought handled the sale of the machinfilom damages from Ames

The licaring, which began on Crosta Babcock, suppliers of January 16 before Mr. Justice the machinery, which was to of the agreement.

Licheill, was held in the ball-convert grass into rations for Mr. Arden said later; "I am in the ball-convert grass into rations for Mr. Arden said later; "I am

Mr. Frank Arden, of Glent- Arden and his company and worth, Gainsborough, Lincoln- Ames Crosta Babcock, which share, and his company Notting- had also reached agreement

in the ballrom of the Piccadilly livestock. It was alleged the satisfied with the result, and I

# Saint Piran gives pledge under protest

SAIN PIRAN, the mining and by Saint Piran and its subproperty development group, sidiaries until next Tuesday, where dissident shareholders when the judge will be asked are pattling for boardroom con- to hear applications by the trol. gave undertakings in the dissidents, led by Mr. Max High Court yesterday to do Lewinsohn. course of business" until the appointment of receivers and

nothing out of the ordinary. Mr. Lewinsohn is seeking the position of the directors is managers for Saint Piran, as well as injunctions restraining the chairman of Saint Piran, Mr. Mr. Leolin Price, QC. for the Henry Hodding, and four co-company, told Mr. Justice Vine directors, from acting as lott that the undertakings were directors, pending triel of the some of the defendants, foreigncffered "under protest." The dissidents action. He claims based companies who have

result of Saint Plran's extraordinary general meeting on March 30.

Mr. Leslie Kosmin, for the dissident group, fold the judge that the existing board were removed from office at the meeting and replaced by his clients. The action, he said, concerned the validity of certain proxy votes submitted on behalf of effect of them is to limit action that he and his fellow dissidents shares in Saint Piran.

# Post Office Pension Fund to be headed by Sir Daniel Pettit

retired last year as chairman of the National Freight Corpora-

Mr. Singer, 54, explained vesterday that he had given six years' service to the public sector and now wants to devote himself to his other interests. Last week he was appointed vice-president of the Association of Certified Accountants. He is also a director of Dalgety, Linfood, Guinness Mahon, Wholesale Vehicle Finance, and Equity Capital for Industry. His self-imposed exile from

right), chief executive of the Stock Exchange.

issued hrough Talisman, was by Mr. Nicholas

Goodison (centre) chairman of the Stock

Exchange, on hehalf of Mr. Michael Baker

(ieft) director of settlement services, and Mr.

John Watson (right) chairman of Talisman

Development.

Study of

commuter

PLANS TO hold a major afudy in 1981 of London travel pat-

terns, including bow people get

to work, are likely to be approved by the Greater London Council this week.

The 51m study, London's third, will gather statistics on

bow Londoners preferences of

transport affect overall travel

pattenrs. Future public trans-

port, road and traffic plans will

F. W. Woolworth and Co. gave

days' notice of any intention to

The Clyde Port Authority's pre-tax profit last year dropped hy £500,000 against 1977's to £2.3m,

because of labour unrest and

difficultles over its boating marina, according to the annual report published yesterday.

There should be a full investi-

Law Society said yesterday in its second memorandum to the Royal Commission on Criminal Procedure.

heen recruited hy the Bird

group's demolition division to help demolish the British Steel

Corporation's works at East Moors, Cardiff, the closure of

British Island, Airways, which yesterday formally touk over

the routes of Air Westward, the

West Country airline based at

Exeter, has placed a £1 m order

The Japanese Victor Company

(JVC) has launched a two-inch

hlack-and-white television, with

radio tuner costing £165 to com-pete with the British-made

Microvision from Sinclair the

Nalional ... Enterprise Board

subsidiary, which sells a UK version for £112.

The Treasury announced yester-

day that a conversion offer will

cent British Savinga Bonda (first issue) purchased between March 2, 1974 and June 1, 1974.

inclusive and maturing on September 1, 1979 at £103 per cent. Holders would be invited

to exchange their holding then into 91 per cent British Savinga

Savings bond offer

with Embraer of Brazil for two

twin-turboprop

which cost their former jobs.

£1m aircraft order

Bandeirante

Two-inch TV

Police powers

undertaking in the High

be based on the results.

'Chanel' brand

patterns

Presentation of the certificates, the first

the public sector is not, how-ever, total. He will continue to be chairman of the computer sector working party of the NEDO, which is studying the implications of the new micro-

MR. ALFRED SINGER is to rare. Whitehail head-hunting new chairman, as from July, he was finance director, and will be Sir Daniel Pettit, who lake over the task of heirometerical last year as chairman. resign as chalrman of the £2bn exercise which induced him to Post Office Pension Fund. The leave the Tesco group where resigned the post prematurely in 1976 amid rumours of dissatisfaction with Post Office

policy. Sir Daniel Pettit, 64, spent 10 years with National Freight Corporation and for the second half of the period he was chair-man of the NEDC committee for the distributive trades. He retired from both of these posts last year but is still currently a director of Lloyds Bank (UK Management) and the Birmingham and West Midlands regional board of Lloyds Bank.

Aa chairman of the Post Office Pension Fund (POSSFUND) he will be responsible for the investment policy processor technology.

Mr. Singer first entered the public sector in 1973 after a income of £350m.

# Demand for private medicine 'growing'

BY ERIC SHORT

A DEMAND that politicians "open their eyes" to the "grow-lng demand" for eholce in health care was made yesterday by Mr. John Phillips, chairman of Private Patients Plan, the second largest medical insurance agency.

Court vesterday to give seven He said that there was a growing demand from the public to be able to use private sell perfumery products marked or marketed as "Chanel" which do not originate from Chanel medical facilities as an alternative to the National Health

His agency bad always taken the view that the private medical sector complemented the NHS, and was opposed to confrontation. 1

He felt that in the next two decades the demands of the elderly and the chronically sick would impose severe demands on the NHS at the expense of other services. The private sector could relieve the NHS of some of this burden.

Mr. Phillips boped that the

gation into telephone tapping and police use of listeoing devices, and a national code to regulate the rights of suspects and duties of police officers, the Royal, Commission on the Health Services, expected to report in the summer, would recommend to the Government full restoration of a policy nn and that the Government of the day would accept such recommendations.

He called on the Government, whichever party it was, to stop pay-bed withdrawals, to stop the present limits on the size of private hospitals, and provide tax relief on health insurance subscriptiona.

To belp meet the growing demands for private beds to replace those being phased out of the NHS. Mr. David Lock, managing director of Private Patients Plan, announced a loan of £2m by the agency to Nuf-field Nursing Homes Trust at a nominal rate of Interest.

The trust classified as a charity, has the largest chain of private hospilals in the UK, with 30 providing 1,000 beds. This loan, in addition to the agency's other commitments to the trust, is aimed at providing financial help in the development programme.

The trust is building a 34-bed bospital, the Cleveland Clinic, at Stockton-on?Tees at a cost of nearly £2m. It plans another in Derhy. Modernisa-tion and expansion of its hospitals is also being carried out. The agency has launched its

latest medical insurance scheme, a stable long-term basis of co. the Family Master Plan. In the existence and interdependence, first four months of this year of public and private medicine, it dealt with an extra 40,000 people, and nearly 50 panles took out health insur-

# Honeyman book dispersal brings £129,505 more

fic books, a collection which it owns, having bought the volumes from Mr. Honeyman pecause he wanted cash immcdiately rather than to wait fur return from a series of sales spread over many years. Yesterday brought in £129,505, with less than 1 per cent unsold, so Sotheby's has recouped £691,134 so far.

The highest price was the £15,000 from Quaritch for a first edition of Elements by Euclid, printed at Venice in 1482. Discours de la Methode. hy Descartes, another first edition, made £6,000, as did.a first, edition of Beschreibung by Ercker, sold to Brooke Hitching, a Colchester dealer. A Californian dealer acquired a second edition of Elementa for £5,800.

into 9½ per cent British Savinga
Bonds (fourth conversion issue)
repayshle on application at
£104 per cent on maturity.

An auction record price for a
violin may be achieved tomorrow when Sothehy's aells a
Stradivari that had belonged in

day with ita dispersal of the Honeyman collection of acientific books. a collection parable Strad to appear on the market since the Lady Blunt in 1971, which made £84,000, and the Greffuhle, which sold for 298.808 ln New York in 1977. Hubermann should at least top £100,000 and could well beat the

### SALEROOM

BY ANTONY THORNCROFT

record of £115,000 set in November. 1977, for a violin made by a contemporary of Stradlvari, Joseph Guarneri del Jesu. Chriatie's held the second day

of its bouse aale at Dell Park House, Engelfield Green, the home of the Schroder family. It totalled £68,362, with a top price of £3,000 for a William and Mary walnut and marquetry longease clock. total is £315,998.

This aunouncement appears na a matter of record only.

£5,000,000

# BENEFICIAL CORPORATION

SEVEN YEAR CURRENCY EXCHANGE AGREEMENT

UNITED STATES DOLLARS-POUNDS STERLING

Arranged by

BLYTH EASTMAN DILLON & CO. INTERNATIONAL LIMITED



# Westland offers arbitration on pay

By Nick Gainett, Labour Staff

WESTLAND HELICOPTERS offered yesterday to take the pay dispute with its white-collar staff to independent arbitration.

The company made the offer at a meeting with union circles, but stressed that the arbitration must be binding on both sides. The unions are considering their

A thousand white-collar staff at the company's Yeovil plant, which has been bedevilled by pay disputes, struck last week.

The strikers, who include buyers, production control, and department staff, and security men have been picketing the plant.

This has resulted in some dis-location to the supply of materials, though the company says that so far it has not interfered with production.

The company has offered 12 per cent across-the-board with a further 1 per cent of the total wages hill to be used at Westland's discretion to sort out pay

### Package snags

Westland says this would give rises of 12 to 18 per cent. with payments varying from £6.40 to £10.17. The company's productivity-related bonus, providing increases of 5 per cent, would be continued.

The white-collar staff members of the Association of Professional, Executive, Clerical and Computer Staff, and of ACTS, the white-collar section of the Transport and General Workers' Union, are understood to be unhappy about a number of aspects of the package, including certain conditions the company has attached.

These include a requirement that the deal run for 15 months from March, the current settlenient date.

Westland has had a number of long-running disputes with its manual work force, largely over operation of piecework and productivity-related bonuses.

### Christmas call

MEMBERS of the Union of Shop, Distributive and Allied Workers at its annual conference in Eastbourne yesterday passed a resolution calling for four consecutive days off next Christmas. inclusive from Sunday December 23 and Wednesday December 26. and for shops to close on leadership December 21 and January I. Gretton.

(Audited)

NORTH ATLANTIC SECURITIES CORPORATION LIMITED

NET REVENUE RETAINED £27,078

Dividend nn Ordinary Shares 1.2p payable 29th May, 1979 \_\_\_\_\_ per share

\*The Net Asset Value includes the investment currency premium which at 31st March, 1979 was equivalent to 103p per Ordinary Share (31st March, 1978 — 16p per share, 30th September, 1978 — 164p per

No provision has been made for any liability to tax on capital gains which may arise in the future on realisation of investments.

\*Net Asset Value per Ordinary Share assuming full conversion d29½p x.d. of Convertible Loan Stock 132½p x.d. 115p x.d.

... \*Net Asset Value per Ordinary · Share at end of period\_\_\_\_\_\_ 1382p x.d. 1181p x.d.

Interim Financial Statement for the six m 31st March, 1979

877,666. Net revenue before taxation ....

536,022 Less: Interim Dividend

# Grassroots revolt against closure of union branches

BY ALAN PIKE, LABOUR CORRESPONDENT

yesterday told to take more account of members' views

Against executive advice. delegates to the union's conference in Brighton carried a motion from Cardiff which declared that the "wholesale policy of closure of branches and the spate of compulsory amalgamations that the executive council implemented recently in 1978 were not in the best interests of the

members concerned." The conference also defied the executive gave specific of improving its structure which the leadership to vote for a reasons why branches were had been in progress for 14 second motion affirming that closed. branches should be managed by Mr. Frank Chapple, general In a dehate on new techelected branch officials and that secretary, replied that since nology, delegates called for the managed by full-time officers cussing the type of organisation training facilities to equip

LEADERS of the Electrical and temporary measure until a and 1975 conference delegates Plumbing Trades Union were member is elected to the had urged that steps should be yesterday told to take more position."

taken to merge plumbing location because the position of the location because the process of the electrical pranches to the location because the process of the electrical and temporary measure until a and 1975 conference delegates that the process of the electrical and temporary measure until a and 1975 conference delegates that the process of the electrical and temporary measure until a and 1975 conference delegates that the process of the electrical and temporary measure until a and 1975 conference delegates that the process of the electrical and the process of the electrical and temporary measure until a and 1975 conference delegates that the process of the electrical and the el However, a third motion when closing and amalgamating opposed by the executive, which where possible and the execuargued that the closure of some tive could be accused of having plumbers' lodges and transfer been slow in carrying out conof their members to electrical branches was not in the interest

taking the action varied

of the union and should be-

reversed, was lost

this should be considered a which it ought to have. In 1973 craftsmen with new techniques.

taken to merge plumbing lodges and electrical branches

ferenco policy.

Mr. Chapple said later that
the decisions of delegates would Mr. Billy Williams, from But the motion against braoches Cardiff, said it was a question of whether the union as a whole would benefit from branch rulesof the union confirmed by amalgamation. Reasons for a rules revision conference in 1975. It would be "disastrous" considerably and it was time if the union reversed its policy

# Tories 'would attack State boards'

BY OUR LABOUR STAFF

power, the main trade union Jenkins said there seemed a would be to protect the nationalised industries, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs.

· Speaking to a conference of the Institute of Personnel

Samuel Maddox

MR. SAMUEL MADDOX, general

secretary of the Bakers' Food and Allied Workers' Union, who bas died after collapsing at a

London election rally, was dedi-

cated to the task of improving

recognition of the value of the

Mr. Maddox, who was 48

became general secretary of the 56,000-strong union in 1975. He believed that be was in touch

with a mood of militancy which,

he said, had been developing for

several years among bakery

In that spirit be had led stoppages that affected mainly the national bakeries over the past couple of years, aimed at demonstrating the union's new tough approach to pay and conditions of work

Mr. Maddox started work as

dough mixer for Brook's bakery.

Stoke-on-Trent. A Labour Party

supporter for more than 20 years, he made no secret of his

determination to barden the

union's policy after the moderate

31st March 31st March

344,147 123,116

221,03*i* 209,520

£11,511

**OBITUARY** 

bakery worker.

to dismantle nationalised corporations such as British Gas, misjudgment."

British Aerospace and the 23,000 scientific, managerial and British National Oil Corpora clerical staff in British Aerotion. This was "a fundamental space said that Tory proposals to denationalise the industry Baroness Seear, president of would be "disastrous" for its the institute, called on the next future.

IF THE Conservatives gain Management in Loodon. Mr. Government to set up a pay struggle in the next few months determination among the Tories approach to income policy that would gain general support. Union officials representing

# Whitehall pay deal seems near

By Philip Bassett, Labour Staff CIVIL SERVICE unions are likely to reach agreement with the Government over pay before the General Elec-tion if the executive of the Society of Civil and Public Servants follows its officials' recommendations today and calls off the union's strike

action, Agreement on a pay deal of 9 per cent, with further staged rises for 600,000 whitecollar civil servants, could be formally concluded today after the society's executive

meeting. All nine Civil Service unions have agreed to the pay settlement, but the society, which represents 105,000 staff in executive and directing grades, decided to maintain its selective strike action until assurances were given that strikers' seniority. would not be affected by the stoppage.

After a meeting with Sir Ian Bancroft, Head of the Home Civil Service, union officials on the staff side of the civil service National Whitley Council, including society officials, agreed to accept a formula setting up negotiations on the meeting. negotiations on the question The formula makes it clear, though, that the unions will consider action if any strikers fall in promotions or suffer in

any way through lack of

# 'Teachers' pay vetocaused by fears of galloping inflation'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

Comparability Commission, Mrs. Shirley Williams. Secretary for Education and Science, said yesterday.

The reference was vetoed on Friday because the terms agreed by unions and local education authorities in the Burnham Committee, required the Comparability Commission to base its recommendations on the favourable pay relativities set for teachers by the 1974 Houghton Report.

The suspension of talks until after the elections is causing schools to be disrupted in more than half of the 106 local authority areas of England and

Wales.
It is estimated that 100,000 members of the National Union of Teachers have so far with-drawn from non-teaching duties, including lunchtime super-vision. Today 85,000 members vision. Today 85,000 members of the Assistant Masters and Mistresses Association have been told to walk out for the afternoon.

But Mrs. Williams said that reference which tied the Comparability Commission's inquiry to the Houghton Relativities would have invited galloping

FEAR OF "galloping inflation" inflation. It would have set a led the Government to veto precedent by which other reference of the schoolteachers workers could use the commis-36.5 per cent pay claim to the sion to "update" their pay on Commission, the basis of the most favourable position previously established for them.

She added that the Government's intention to use the veto had been known throughout the protracted negotiations to the two Department of Education representatives in the 27member employers' panel of the Burnham Committee,

They must have made the intention known to their fellow panel members, even though the Burnbam procedure does not allow the DES representatives to speak in the employers' negotiations with the unions'

But Mr. Fred Jarvis, general secretary of the NUT, whose votes control the unions' side of the committee, said it had never been made clear during the negotiations that the Government had a right to veto the reference. He had understood that it was entirely up to the we panels of Burcham to agree in what terms the reference to he Comparability Commission hould be made.

As a result the unions had been "led up the garden path" or five weeks.

# Walk-out may stop telephone billing

POST OFFICE clerical staff at the Harmondsworth computer centre, Middlesex, were called out on strike vesterday by the Civil and Public Services Association (CPSA) after two members refused to do work normally done by computer staff on

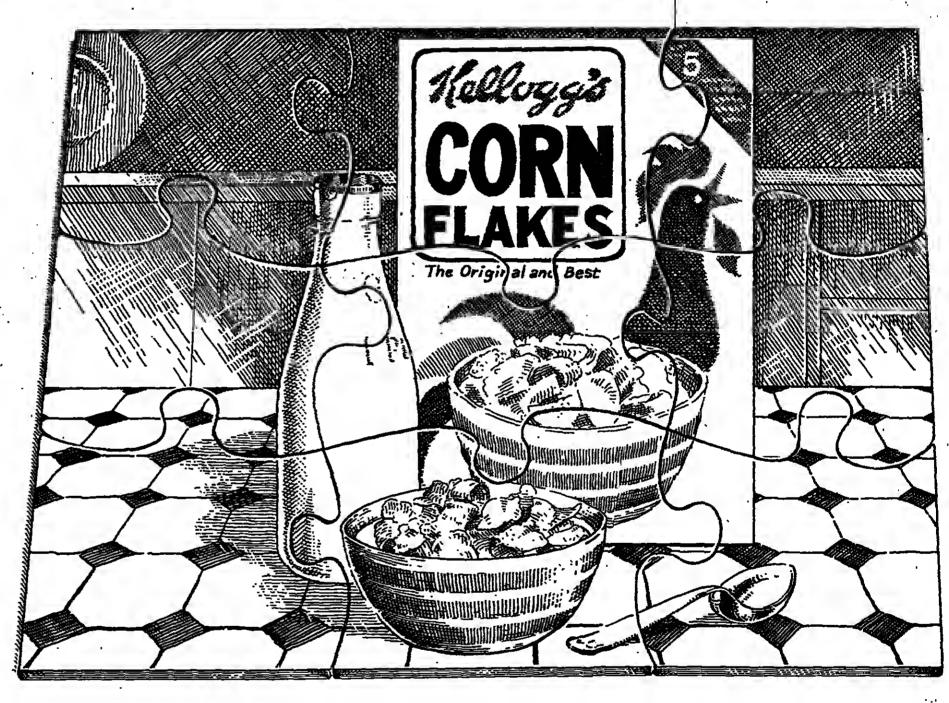
strike over pay. The CPSA that the strike by 85 staff at the centre would prevent the Post Office from introducing manual billing of telephone customers io London and the South-East.

The CPSA and the Society of Civil and Public Servants are taking strike action in selected areas over their separate pay claims of more than 20 per cent. though pay talks with the Post Office are expected today.

### GLC to expand jobs schemes

GREATER LONDON Council's professional and general services committee approved a policy document which provides for extending existing ap-prenticeship schemes for the council's staff and for the introduction of new ones to train more skilled staff and offer more jobs for young people in London, the council said yester-

# You've been right all along.



You've probably been eating Kellogg's Corn Flakes, with milk ever since you were a child. You've been right. Nutritionally, the two fit naturally together.

Relative contribution of the nutrients in a serving of 30 grams of Kellogg's Corn Flakes with 4 ounces of milk Iron Vitamin D Thiamin Vitamin B6 Sodium Carbohydrate Riboflavin Energy 60% (33...-Magnesium Zinc 18% 10% Calcium 1% Vitamin A

On the chartyou'll see some of the elements we all need to eat regularly. You'll see that in a typical serving of

Kellogg's Corn Flakes with milk, it's the milk that supplies the most calcium and magnesium.

But it's thecereal that provides virtually all the iron,

and most of the vitamins. They both contribute protein.

And Kellogg's are the only corn flakesfortified with important nutrients.

The best to you each morning.

### **VOLKSWAGEN INTERNATIONAL** FINANCE N.V. 7%% US-\$-Bonds of 1978/1985

Drawing of Bonds as per June 1, 1979 For the first redemption instalment due June 1,1979 in the nominal amount of US-S 5,000,000. - a drawing by lot took place before a notary public, pursuant to § 3 of the Tame and Conditions of

with the numbers 6001 to 7000 (US-\$ 1,000 each) and

9401 to 9800 (US-S 10,000 each). The drawn Bonds shall be redeemed at par from June 1, 1978 and shall cease to bear interest as per May 31,1979. The Bonds will be paid in the United States of America at

New York Branch and outside the United States of America at Commerzbank Aktiengesellschaft and its branch offices.

Commerzbank Aktiengesellschaft.

Coupons as per June 1.1980 and following are to be attached to the Bonds. The amount of missing unmatured coupons will be deducted from the principal amount. The couponas per June 1, 1979 will be paid separately.

Amsierdam, April 1979 Volkswagen International Finance N.V.

152

# I hatcher tells voters: 'Shun minor parties'

BY ELINOR GOODMAN, LOBBY STAFF

AURS. THATCHER ended her thinly veiled appeal last night confident that Bolton East message to the electorate not to throw away their vites by supporting minority parties.

also delivered another blister- supporters ing attack on Labour's record. commonsense Rejecting Labour's criticism of in her as an extremist, she accused some trade . union leaders of failing to represent

in their members views when they attacked the Tory Party. . Without specifically addressis a lng herself to people who might he thinking of voting Liberal, she made clear that in her view the resi choice was between a Lebour and Conservative Government

There was no half-way house. who preferred the poticies of the Tory Party as the campaign has progressed, should support them on and last night it reached a new Thursday.

She was speaking in Bolton, a town composed of two marginal seats which the Tories must win if they are to get a

Bolton East has returned a candidate from the winning side in every post-war election. A poll published yesterday suggests that Labour has managed to make coosiderable inroads into the Cooservatives' lead there.

A survey by Market and Opinion Research International for Cranada Television shows the Tories' lead has been cut hack from 9 per cent at the start of the campaign to 2 per cent Mrs. Thatcher made no

would return a Conservative. disaster, Taking up a theme often beard during her tour, she said In a carefully controlled that she bad received more over the Labour Party, she speech, the Conservative leader reports of Labour and Liberal claimed that under a future , " coming the . Conservative

> Voters who will had not made up their minds should ask Labour candidates about the party's record on prices, johs, education and taxes.

Her speech, which laid out the full range of Conservative TUC." policies, was in many ways similar to the first major address she made in the com-

paign at Cardiff two weeks ago. But her attack on Lahour has grown steadily more aggressive peak of invective.

Rubbing salt again into the Labaur wound hy reviving memories of last winter's prohlems, demanded how, in the light of Labour's record, anyone could believe they would do better in

the next five years. Why should we believe that their so-called special relationship with the unions has my meaning after last winter? Never forget how near his nation came to government by

picket.
"Never forget bow workers had to beg for the right to work, and patients for the right to be admitted to hospital," warred

Without mentioning Mr. 3,000-mile tour of Britain's reference to this particular poll Callaghan by name, she implied marginal constituencies with a in her speech, but said she was that his "carry on as we are" was a recipe for

> Repeating her warnings of how extremists were taking Lahour Government there would he "political interference with the money that is supposed to be earning your future pensions, insuring your life and providing a lump sum when you are old." This was something which the Lahour Party had already officially agreed, she said, with the "socialist politicians in the

Mrs. Thatcher also said a Labour Government would fail to tackle vital issues such as rime and law and order.

No attempt would be made to make power and trade union responsibility march together under Lahour. There had already been attempts to inrrease union power still further, she said.

But she insisted that many trade unionists were totally unconcerned ahout issues which Labour stressed ao heavily, like state ownership.

Mrs. Thatcher then went on to spell out the broad parameters of Tory policy. Acknow-ledging the particular unemployment problems of the North, she agreed that Britain faced problems of re-adjustment in some critical areas. She repeated her party's commitment to continuing with regional aid, but again insisted that the real growth in jobs would come from

# Callaghan 'humbug' attacked

hypocrisy were levelled at the Prime Minister yesterday hy Lord Hailsham. The former Lord Chaocellor was making his first appearance of the election campaign at the Conservative Press conference.

He also condemned Mr. Callaghan's attack on Mr. Edward Heath in his speech at Chatham on Monday night. "I do not think it was really worthy of a Prime Minister." Lord Hailsham,

showing flashes of his old ebullience and sparkle, said he had been terribyl shocked in the last two weeks by the "enormous amount" of humbug which the Prime Minister had been getting

materialistic view of life, the ties of human self deception Overnment expenditure.

CHARGES OF humbug and law of the jungle, the weakest were "almost limitless." to the wall—all supposedly part of Tory philosophy. The Prime Minister had Iso

privilege.
But, Lord Hallsham poined out, the gravedriggers hid stopped burying the deal, schools had been shut because caretakers had walked out, and operations on cancer patient had been delayed becaus been delayed people would not do the laundry or sweep the floors.

Lord Hailsham claimed that

"the whole shambles" had been orchestrated by the legislation on industrial relations in the last 10 years.

Reflecting on Labour's conduct of the election campaign, he concluded that the possibili-

Mr. Patrick Jenkin, the Conservative social services spokes-man. repudiated Labour "lies" claimed that he was against that a Conservative Government would cut retirement pensions and end pensioners' Christmas

> He renewed the Tory pledge to maintain the pensioners' living standards by increasing the level of henefits to match increases in the cost of living. But Mr. Jenkin refused to match Labour's undertaking to keep pension levels in line with the annual rise in prices or earnings, whichever proved to

Mrs. Margaret Thatcher enled that her objectives acluded a 5 per cent cut across the board" in all

# Molyneaux calls for internment

BY STEWART DALBY

Parliamentary leader of the Official Unionists, Indicated yesterday that he was in favour of a restoration of interment idea if Mr.
—albelt on a selective hasis. "shadow" No.

up the main Unlonist party's election campaign, he said that

JAMES MOLYNEAUX, admitted that it did. Conservative Coveroment would have actively considered the Airey Northern Ireland At a Press conference winding spokesman, had not been

assassinated. Internment was abolished in

otherwise known as indefinite executive detention was some-letention without trial — he thing "Mr. Neave said be would

conder."
M. Mowneaux thus joins the growing band of volces urging the ext Northern Ireland Secretary o introduce some form of

It being widely reported, particularly in the Republican press in Belfast, that senior form oflimited internment. Mr. lason has declined to say wheher he has been under pressureto give such advice.

# Vaizey joins Labour

'renegades'

LORD VAIZEY, the Labour economist made a peer in 1976, has joined Lords Chalfont, Wilson of Langside and Robens, in supporting a Conservative victory. Labour was no longer able to deal with the issues of high tax or excessive union power, he said in a Tory Party statement Lord Shinwell, 91-yearold Labour veteran, attacked these peers as "renegades" and said: "It makes me sick to read about them."

ORKNEY AND Shetland may avold being the last election result to be declared 00 Friday. The Treasury has authorised £400 for a charter aircraft to fly Shetland's 36 ballot boxes to the counting centre in Orkney.

THE CAMPAIGN far Electoral Refrom said that 87 Conservative candidates and 55 Labour had promised to support a Bill for propertional representation.

THE CONSERVATIVE agent at leiston, Suffolk, forgot to put forward the nomination papers for 14 candidates in the forthcoming local electian. The previously Conserva-tive-controlled council will now be made up of 10 Labour members, two Liberals and two Communists, with no election necessary.

SIR HENRY PLUMB, past president of the National Farmers Union and a Tory candidate for the European parliament, accused Lahour of using the Common Agricultural Policy as a scapegoat for "abysmal failure" to control inflation and maintain employment.

THE FOOD Manufacturers' Federation, in a letter to candidates, called for reform of the Common Agricultural Polley and abolition of the Price Commission, on the grounds that both had led lo higher prices.

THE NATIONAL Front's candldate for Brent South (London), Ms Avril Downes, lost a High Court hid to be allowed to hold a pre-election meeting in a council school. Mr. Justice Kenneth Jones upheld the ban by the local council on the grounds that it would not be a "public meating."

NEW hereditary peerages may be created if Mrs. Margaret Thatcher hecomes Prime Minister. She told the Conservative Press Conference yesterday that she would prepared to consider. ending the Queen confer. hereditary titles "absolutely exceptional

YESTERDAY'S issue quoted that Heathrow airport workers are being urged in their newspaper—edited hy Mr. David Wetzel, Labour candidate for Twickenham-to vote Labour an then "kick out?" Mr. Callaghan, Mr. Wetzel asks as to point out that he was also quoted in the agency report as saying that because opinion in the paper, but Mr. Wetzel said he disagreed with the view expressed about Mr. Callaghan.

# 'Britain is in danger of total economic decline'

decline. Sir Keith Joseph, the Conservative industry spokes regress—then problems which Wedgwood Benn. man, warned last night.

nan, warned last night. are difficult to cope with now, Should it he allowed to might simply become insoluble." happen, he said, the annual would be concerned with the level of cuts in earnings and not the size of increases.

"That is the consequence of continuing as we are and it is Kelth declared in Leeds.

had experienced comparative risen less than 1 per cent over. decline, having fallen from the last five years.
being the second richest nation "Growth has been virtually after the war to 20th in the eliminated by a combination of international league tables, and union-enforced Luddism and still falling fast.

the harvest of bitterness, resent- ownersbio. ment, anger and social discon-

MR. DAVID STEEL, the Liberal

leader, will make no dramatic

weekend dasb from his Scottish

constituency to London to cohble

together a new short-term poli-

tical pact if tomorrow's general

election results in neither of the

main parties' securing an over-

He declared yesterday that if

faced with such a situation tie

will call for an agreed pro-

gramme to provide stable Covernment for 6ve years in

which priority is accorded to

the introduction of propor-

Mr. Steel, reflecting the

buoyancy shown hy recent opinion polls in registering

rising Liberal support, repeated

his forecast that the new House

of Commons will contain at least

20 Liberal MPs, possibly up

The latest polls, he said, showed that the Liberals were

on the right course for a "people's parliament," ideally

one in which the Liberals held

Mr. Steel was adament that

neither Mr. Callaghan nor Mrs. Thatcher: must be allowed to

seize the political initiative with

a new minority Covernment

capable of generating a wave of popularity that enabled it to

secure a majority in a few

Therefore, he argued, the post-poll talks, if the election

proved again that neither Tory

nor Labour had a majority in

BY OUR L'OBBY STAFF

the balance of power.

tional representation.

all majority.

to 50.

already begun. decline included the failure to So far, he said. Britain improve productivity—it had

over manning, punitive taxation, As a result, the rising expec- excessive state borrowing and tations of the 1950's and 1960's spending. excessive legislation had been frustrated, but this and hureaucracy and excessive would be nothing compared to state interference, control and

turned into absolute decline. quences of a Labour victory Parliame

"If that happened—and at was based on a further left- economy

Parliament, Mr. Steel con-speech. lended, should include the Lord Liberals and rest upon the think the

centre of gravity in the country,

not upon the extremists of Left

BBC's "election call" phone-in

programme, and Mrs. Thatcher,

at the Conservative election Press conference, continued to

set their sights oo an overall

majority.
Mr. Callaghan emphasised that a "hung Parilament." with

no single party commanding an

overall majority, made the management of Covernment "unch more difficult."

portional representation, in spite of its superficial attrac-

Nor was he in favour of pro-

Questioned at the Conserva-

tive Press conference about the

constitutional implications of a "hung Parliament," Lord Hail-

sham, former Lord Chancellor

confirmed that Mr. Callagban

would have the option of con-

a Queen's speech to the new

believe that, in such circum-

stances, the Queen would chonse

anyone other than Mrs. Thatcher, although she might,

and would be entitled to do so.

ducted on a three-way hasis. . and try to secure the approval public enterprises.

side, are swinging back to hold Brecon and Radnor.

Polls show voters' return to Labour

country. should be con- person to form a Government or selling off profitable parts of

tinuing in office and presenting

If defeated, he would be

Lord Hailsham did not services.

The Prime Minister, in the

or Right.

ERITAIN IS in danger of present we are poised on the ward lurch by the Labour Party plunging into absolute economic point in the spectrum separating or on the replacement of Mr. economic progres from economic Callaghan hy Mr. Anthony

"They are hased on a very modest projection of trends Without North Sea oil, Sir which have long been apparent round of wage discussions Keith stressed the problems of and which Mr. Callaghan is economic regress, with implica unwilling to reverse. tions stretching far beyond the Mr. Reg Prentice. t

Mr. Reg Prentice. the former economic sphere, would have Labour Cabinet Minister who crossed the floor of the Com-The factors which had brought mons and is standing as Coninsufficiently understood," Sir Britain to the point of absolute servative candidate for Daventry, told a meeting in his constituency that Lahour Covernment would mean further moves towards a corporate state presided over hy political hosses and uninn

At Chelmsford, Mr. Norman St. John-Stevas, the Conserva-tive spokesman on the constitution and House of Commons affairs, claimed that only a Conservative Covernment would anger and social discon Sir Keith admitted that none take the decisive measures if comparative decline of his fears about the conse-needed, over the period of a dinto absolute decline. quences of a Labour victory Parliament, to revive the take the decisive measures

Lord Hailsham added:

overall majority, reaffirmed that, in the event of a hung

Parliament she would seek to form a minority Government

Mr. Steel last night listed

some of the "extremist"

Labour or Conservative policies

that the Liberals would prevent if they won sufficient seats in

to push through more nationali-

sation proposals, whether of the

Liherals would also prevent

the Tories from dismembering

the National Enterprise Board, getting rid of the Scottish and

Welsh Development Agencles,

Torles in Cardigan, hut not enough to dislodge the Liberals,

leading with 33.6 per cent.

ment," he said in Peebles.

They would not allow Lahour

the next Partiament

to have a retrial.

overall

obliged to resign and the nate against underprivileged Queen would ask someone else minorities through their plans to try to form a Covernment. for big reductions in public

It would then be for that abolihing the Price Commission

was the main focus of many voters' attention. "I'd do anything to keep Maggie Thatrher out," pledged one elderly voter. A middle-aged woman said:
"I'll vote for you this time, hut
I'm really a Conservative. Steel will avoid hasty alliance

"I don't think we're ready for Mrs. Thatcher. She's got some good ideas, and she's a very learned lady, hut she's a hloody troub emaker."

Holding

Labour's

traditions

INSIDE THE two 14-storey

hlocks of flats he visited yester-day morning, Mr. Eric Heffer

and his canvassers found only

half-a-dozen non-Lahour voters

house," said one woman, hand-

ing back a potted version of the

Labour Party manifesto. "We've

had it drummed into us since

later, Mr. Heffer observed; "You could put on it vote for

the Aholition of People' and

people like her would still vote

No question. Faces beaming,

in recognition at their rain-

draggled MP, they chorused

"He's the man who got my radiators fixed," vouched one pensioner. But "that woman"

Contemplating the leaflet

'We don't need that in this

By Christopher Parkes

in need of conversion.

we were youngsters."

their support.

hard to

A new majority in the new of the Commons for a Queen's At only one door was he seriously questioned. A widow, think the truth is that if you living off her husband's oil-comhave a hung Parliament you have the same result in the end

pany pension, demanded -to why her income was know as a hung jury-you have got taxed But the door-stepping MP has "Nobody really wants that." Mrs. Thatcher, after empha-sising her belief that the Conservatives would secure an

little time for lengthy debates.

"I'm interested in me," she
declared, certain that no one
was interested in her. "My was interested in her. "My hushand always said, if a pig walked up the street and said it was Labour, he'd vote for it. But I'm confused. I've seen it all on the TV, now I'm confused." That one was a Tory. Mr.

Heffer declared, as he stumped off to see more easily accessible souls on the eleventh floor. From there he went to a raggle-taggle meeting of the Liverpool Trades Council at the

ports or of the huilding in-Pierbead. A hundred or so leftovers from a 1,000-strong May Day march thinned slowly. as Mr. dustry, or let them "kow-tow to the trade unions as an institutionalised part of the Govern-Heffer warned that, if the Tories If the Tories won, the Liberals would not let them got in, there would be 300,000 unemployed on Merseyside-never mind the 82,000 already cut into the muscle of the Welfare State" or discriminate against underprivileged out of jobs.

Smiles emerged again as the Heffer entourage took to the terraced streets with its loudspeaker van.

But there were also more sour faces in the doorways of these private houses. The amplified Heffer message was irregularly punctuated by the slamming of Ob. God, It's Heffer," said a .

woman in curlers, throwing shut her front door. "There's my feller," cried a

the grins.
And just as the older generation had had the socialist legend VOTERS in Bolton East, the BBC opinion poll, published last 45.2 per cent against the Labour constituency that since the end night, tipped Lahnur to win two of the Second World War has prize constituencies, Carmarthen always voted on the winning and Pembroke, and easily to Torles in Cardigan, but not message early.

Two ten-year-old bardliners confided that they bated Mrs. Thatcher. They had been talking

"We don't bave no milk at school, 'cause of 'er, and she Shadow Secretary for Wales, de- per cent Labour lead over the on Saturday, and then she goes and closes poor old Dunlop

### Carmarthen is being defended by Mr. Gwynfor Evans, Plaid A poll carried out at the end In London, a Marplan poll for about her at school. "Too Capital Radio, the independent snohhy," they charged. executive detention " should December, 1975. election commitments he forces officers have Cymru's president. The poll of last week for Granada Tele-Mr. Molyneaux, Official Unionist member for South be used on a limited and selecurged the outgoing secretary, gave him 23.6 per cent. comhad not been involved in the vision shows that the Tory lead Mr. Ro Mason, to advise his pared with Lahour's 36.7 per radio station, gave the Tories a cent and the Conservatives' 28.2. 25 per cent lead ever Lahour in tive basis and introduced withcurrent edition. Any airport has dropped from 9 per cent to Antrim, said he favoured the successe to introduce some worker could express his Asked whether executive rounding up of known "god-detention meant "intermment" fathers." He then added that 2 per cent since the election Mr. Nicholas Edwards, Tory outer London boroughs hut a 1 wants to make us go to school campaign began.

The real issues in the seats whose resemblance is purely superficial BY SAMUEL BRITTAN

October 1974 election: Robert a seat covering much of the Hicks (C), 20,756: Paul Tyler present area in 1945 and as (L), 20,091; Peter Knight (Lah), 4,814. Majority 665. 1979 candidates: Nigel Knowles (Lab); Robert Hicka

(C); Paul Tyler (L); M. Carter (NF): C. Retallack (Ecology): (Mehyon Holmes TRURO October 1974 election: David.

Penhaligon (L), 22,549; Piers Dixon (C), 22,085; Frank Long (Lah), 11,606; Dr. J. C. A. Whetter (Mebyon Kernow) 384. 1979 candidates: Bruce Tidy

(Lab); Mrs. Rosemary Brown (C): David, Penhaligon (L); M. F. Hedger (NF); Dr. J. C. A. Whetter (Gornish Nationalist). election from the Conservative Tomorrow: Richmond. The second of two articles

on the Liberal and Conservative marginals in Cornwall TRURO AND Bodmin may look

cathedral city and local govern-tidden goyne to be easy." cathedral city and local government centre of that name is at ment centre of that name is at ment centre of the contact wastern about half and half between consistency. The St. Austell Cornish and immigrants, hetween the western end of the con-stituency. The St. Austell district is the more important district is the centre economic area. It is the centre But although Mr. Penhaligon of the English china clay industry and is dominated by

the company of that nama. man-made mounds of clay waste. Lah pact, and that without the most of the clay is used not for "no confidence" vote of the ceramics but as a filter for Liberal MPs there would be no ceramics in the paper. surface coating in the paper general election this week.

MPs there would be general election this week.

A Penhstison

the eastern part of the county, ded by about 70 people, nearly of the Tamar, thich separates does have some tradition of all already converted. As they Cornwall from levon).

voting Labour. The party won recently as 1966 came within 1,000 votes of doing so again. But since then, the local Labour Party has, like the local Conservatives, passed through a time of dissensions.

Mr. Bruce Tidy, a young ex-Liheral journalist with strong anti-EEC' views was probably appointed too recently to prevent a further crumbling of the Labour vote. The 11,666 votes polled by Labour last time are a rich field for picking for Mr. David Penhaligon, the Liheral defender. In 1974 he ran counter to the national trend by winning the seat for the Liberala in the October Piers Dixon with a majority of

Since theo he has built up a cult as a kind of Cornish Cyril Smith. He glories in-and exaggerates—his Cornish accent which he uses to give a workingvery similar on the map. But a class impression that belies his political visitor aoon realises middle-class and independent-that they are poles apart, school background. Off the platthat they are poles apart. school background. Off the plat-To begin with, the label form he would he less likely to "Truro" is misleading. The

whom not too much love is lost. has been prepared to lose a few Truro city votes to consolidate his hold on the china clay The summits, which appear in workers, he points out to tradi-the morning mist as snowcovered hills, turn out to he he was never keen on the Lib-

A Penhsligon meeting at aking industry.

A Penusingon meeting at South-west Cornwall, unlike Fowey village school was atten-

were leaving I beard remarks such as, "lid you enjoy it?" "Terrific; he ought to go on

But the theral defender is sensitive to be charge that he is a glorified parish councillor, and most of his speech was devoted to najonal issues.

His examples of waste in public spendin had his audience rolling in the alsles. If television attacks on the Govern-ment on the isue could be put over in a simil way it is outficult to heliev that the official Opposition woul have been put so much on the efensive.

The Conservatve challenger, the highly articlate Mrs. Rosemary Brown, bala good record for fighting local issues, which many sitting Ms would envy. She has worked brd to persusde INMOS, the mero-electronics company, to com to Cornwall, and is prepared tedisagree with Mrs. Thatcher on he role of the National Enterprie Board. Her special bowledge of small companies h which she wrote a book withher husband. Peter, should standber in good

stead in a place where new emoloyment prospets, depend propagands. She is also highly energetic on the dorstep, not losing a minute and outdistancing on her high-heeled boots all her helpes of either

But her very intesity might tell against her ir a area where there is still a prejudee against women candidates and party leaders, and against people from "up-country" (12. England east

voters here regard the election is that they judge their MP, howiodustrial relations, as an people in the streets of market talking about when he fulminomhudsman rather than as a towns.

"Are you from the other voting" with the Liberals.

world. The constituency extends from the Plymouth catchment



area at Torpoint to the fishing Lahour rather than a Liheral and tourist area ports such as Polperro, and inland through the agricultural areas and could make would be improving

detailed to be dimissed as housing estates from London as "the penny farthing stage."

so beavily on such interprises.

Her accounts of husinesses ending at Jamaica Inn on which could take on more labour, but don are too. The presence of overspill The presence of overspill Sir Harold Wilson castigated as

wall as Plymouth prevent this . Moreover, Labour's candidate meant a catastrophic drop in the from being a safe Tory seat. in Bodmin, Mr. Nigel Knowles, real value of the Parliamentary Indeed, Mr. Paul Tyler won it an education officer with the for the Liberals in February, Ceneral Federation of Trade 1974, by nine votes, only to lose Unions, makes no hones about verse population and other vatives Robert Hicks in October capitalism and all its works.
of that year, in accordance with He is far more engaging to the national swing away from meet than one would suppose his party.

No one could complain that happened to other Liberals. Mr. Tyler and Mr. Hicks are as a pleblscite and ignore the youngish men who have local personalities of the caodidates. origins without being stage sioners oo the housing estate But the other side of the picture. Cornishmen. They have many who grumble about strikes and Cornishmen. They have many who grumble about strikes and other things in common: amaz-.. ever sincerely and passionately ing ability to remember the he speaks on subjects such as names of a large portion of

> century it was said that there Conservative and Liberal candidates believe in things such as "moderation" and

"Are you from the other side?" Is not a political intru-

"incomes policy." Personally they get on well. Although they are both "good candi-dates," no one could pretend that the election here is a personal duel. In Bodmin the national debate predominates. Never-

vote is "wasted." The hest investment the Conservatives the Labour organisation, which

by 665 votes to the Conser- being an out-and-out foe of. from reading that "The Iron

fundamentalism seems to puzzle even Labour-sympathising penpeople living on social security. I wondered if some of them had the faintest idea what he was

There was more good news fending a 772 majority in Pem. Tories in inner London horoughs

for Labour in Wales, where a broke, looked in danger, with north of the river.

political debate. ... side?" Is not a political intru-Crossing the Fowey River sion but a reference in East 7,000 new voters who have into Bodmio and who have no tradition of voting entury it was said that there was only one borough more Liberal, tactically or otherwise. "rotten" than East Looe, and The Conservative calculation that they will divide two-to-one that they will divide two-to-one have no tradition of voting in the Conservatives' favour may not he all that far out: and an informed local view is that Mr. Hicks may even slightly increase his majority.

> In spite or hecause of its nearness to Plymouth, the Budmin but Tot Melyon Keroow (Sons of Cornwall) candidate, the popular Mr. marginal at all. Roger Holmes, would not sur-prise anyone if he polled more than 1,000 votes. A few years theless. Truro and Bodmin have ago he was the first MK mayor of Liskeard.

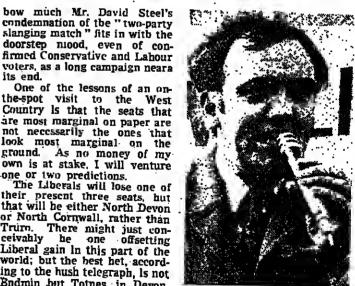
Mr. Holmes may he an example of a worthwhile unorthodox candidate. But the proliferation of frivolous and fringe candidates is one of the many examples of the bad effect of the non-indexation of the fiscal and legal system. It has

Against all the slightly admovements in Bodmin must be put the impact the Liberals have been making in the national debate. Candidates who wrote the party off over-Maybe if Mr. Tyler had maoaged to hang on to the seat, hostility towards the working a Lib-Lah vote vote have consolidated behind him, as had countries."

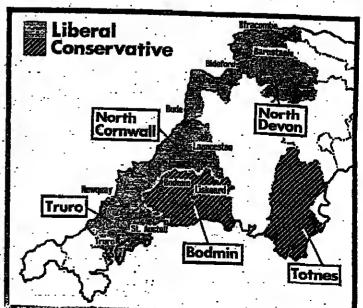
Mo wrote the party off overmore again that the working from the sheer volume of television exposure which they only
get at election time; and (h) from the sheer volume of teleget at election time; and (h)

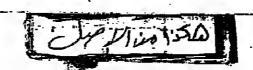
Mr. Knowles's un-Callaghanist bow much Mr. David Steel's condemnation of the "two-party slanging match" fits in with the doorstep mood, even of confirmed Conservative and Lahour voters, as a long campaign neara

> not necessarily the ones that look most marginal on the ground. As no money of my own is at stake, I will venture one or two predictions. The Liberals will lose one of their present three seats, but that will be either North Devon or North Cornwall, rather than Truro. There might just con-ceivably he one offsetting Liberal gain in this part of the world; but the best het, according to the hush telegraph, is not Budmin but Totnes, in Devon, which is not, on paper, a



David Penhaligon





# Last lap of marathon finds Tories 'out of puff'

PRIME MINISTER entered the final lap of the election campaign in a cheerful and confident mood yesterday with the observation that "the Conservatives ran out of puff some days ago."

Answering questions at his Press conference, he maintained that the length of the campaign had worked in Labour's favour.

It had heen a "iong-distance race" giving them time in convince the electorate that the Conservatives had made a hig mistake " in pretending that they could cut income lax without paying for it in other ways.

It was the last of the campaign Press conferences to be held in Transport House. For the occasion, on

May Day, a full team was fielded, comprising Mrs. Shirley Williams, Education Secretary, Mr. Roy Rattersley, Prices Secretary, and Mr. Peter Shore, Environment Secretary.

All the Ministers seemed in an extremely hnoyant mood after the publication of the latest NOP poll in the Daily Mail, showing Labour ahead of the Tories for the first time, if only by 0.7 per cent.

Nevertheless, Mr. Callaghan took a cautious view of the NOP results. He declared: The polls are beginning to catch up with what I have always said public opinion was. No donht they will get it right one day."

The questions were punctuated hy constant badinage

Mr. Hattersley. At one stage the Prices Secretary hinted that he would like a move to another department if Labour

was returned. "Paymaster General for chortled the Prime Minister.

A journalist asked what his plans would be if Labour lost the election. "Such a thing is totally unthinkable," came the

reply.
The Tories, Mr. Callaghan, said, had reckoned un a quick sprint to the polls. They had tried to make It a case of "vute in haste, repent in

It was not good housekeeping to propose that 2p should be knocked off income tax if 4p was to be put en something else. He promised, however, that a Labour Chancellor would ent income tax as and when it could be

"We are not offering a miracle," he added. "There are no miracles to be had in

The indications that the Torica would increase VAT to 12.5 per cent would add another 2.25 per cent to the Retail Price Index, he went

If they reduced the National Enterprise Board to a "casualty clearing station" and BL collapsed as a result, it would mean the loss of 160,000 jobs directly and a further 500,000 dependent tobs. A further 500,000 would become unemployed through cuts in employment and train-

ing schemes.
You could not make the kind of public expenditure cuts the Tories were planning by cutting candle ends. You would have to cut deeply into the services people demanded. Backing him up, Mr. Hottersley listed price in-creases which, he alleged,

would result from Tory plans to increase value-added tax to 12.5 per cent. A cooker costing £150

would go up by £6.25, an average family car by £125, a £15 pair of shoes by 63p and a £350 suite of furniture by £15. Tory policy up the ERC, he claimed, would put 12p on a pound of butter, lip on a pound of cheese, 5p on a kilo of sugar and 11p on a loaf.

### asserted yesterday that the lost being retrieved among trade unionists and non-unionists alike. Their travels cound

country told them that the latest opinion poll, giving Labour a lead for the first time in the campaign, was borne out in pohlic meetings they had addressed.

BY CHRISTIAN TYLER, LABOUR EDITOR

UNION

### Optimism

Union leaders went into the election campaign afraid that the winter's strikes, particularly that of the lorry drivers and the disruption of hospitals, would reinforce the Labour abstention and that union activists would fail to turn out in order to punish the Govern-ment fo rits 5 per cent incomes policy.

Yesterday, however, at the last of the Press conferences by Trade Unionists for a Labour Victory, there was a note of optimism, albeit still low-key, ahout Lahour's chances.

Mr. David Basnett, chairman of the trade union committee, said that the Tories had given

primarily interested in jobs and new technology,

retrieved, unions say

Government lost vote

He described the Prime Minister's claim that Conservative policies would mean im more unemployed as "possibly

an underestimate." Mr. Ray Buckton, of ASLEF, the train drivers' union, said that the issue of trade union power, on which Mrs. Thatcher has campaigned hard, had coo-

fconted him during bis tour. However, he maintained that voters accepted that the trade were democratic organisations not lightly interfered with.

Mr. Basnett declared that the Tories' attempt to divide trade unions from the rest of the country had failed. The 12m members of TUC-affiliated unions were part of society, not

outside it.
The choice tomorrow was still hetween a framework of co-operation that had worked and would work again, and a party intent on confrontation.

Asked about the implications the TUC-Labour concordat for wage bargaining in the next round, Mr. Basnett confessed that a new Lahour Government would not be 'a soft option."
The unions would expect up their union-hashing in the The unions would expect have rights, trade unions me past few days. He said it had measures to deal with imports accept their responsibilities."

leaders antagonised voters, who were and to plan the introduction of

On wages he was less explicit But he said that the TUC had for the first time set down criteria for wage hargalning, giving attention to the price and productivity effects of hargains.

The "annual economic assassment" promised by concordat would ensure negotiators understood economic climate against which

they were bargaining. Mr. Bill Keys, of the print union SOGAT, forecast that Britain would he doomed as an industrial nation and become a banana republic if Lahour's industrial strategy was halted.

### Responsibilities

Last night Mr. Len Murray, TUC general secretary, said it had always heen trade unlonists. not politicians, who established workers' "hasic rights." However, he coupled it with a call to unionists to take others into account when choosing their action.

"The Three Rs of trade unionism which we should never forget are: trade unions are representative, trade unions have rights, trade unions must

# **Bailey accuses Steel**

BY ROBIN REEVES

MR. DAVID STEEL, Liberal defeat — perhaps because you leader, was accused yesterday favour Labour ahead of the of wanting to protect Mr. Callaghan against defeat in his Cardiff South-east, constituency.

Mr. Christopher ailey, head of ristol Channel Shiprepairers, expelled from the party last week for forging a Lib-Con pact in the constituency, says in an open letter to Mr. Steel: "You. yourself, made a pact with Labour against the wisbes of many of your colleagues and

expulsion, merely trying to that bave henefited the country, avoid emharrassment for your advanced PR, or, most impor-friend, Jim Callaghan? I sup-tant, benefited the voters of pose you hope to avoid his Cardiff, South East?"

Conservatives." Mr. ailey emphasised that his motive in standing down had been essentially to highlight the Liberal cause of propor-

tional representation.

If the Prime Minister is defeated, then Labour will suffer a crushing bluw and we will be a step forward towards obtaining proportional representation. If I had agreed to stand, probably I would have increased the Liberal vote and "Are you, by my attempted come second, but how would

# **Builders seek clarification**

nationalise the construction in- sented dustry. Mr. Bill Lindesell, chair- nationalisation of our industry, man of the contractors section he said. of the National Federation of

The construction industry be- its manifesto.

THE LABOUR Party should lieves that proposals in the state whether it intends to Labour Party manifestu repre-"a threat of creeping

> He found significance in Labour's failure to explain the precise meaning of references to the construction industry in

The rival Budgets assessed

# Parties' finance plans look alike

BY PETER RIDDELL

FAR MORE is known about the Government places much faith likely shape of a Conservative in cash limits. Those imply a or Labour Budget than is suggested by the claims and counter claims of the past three weeks. The possible Budgets are also more similar than either party would like to admit. Mr. Denis Healey, the Chancellor, and Sir Geoffrey Howe, Tory economics spokesman,

have been reluctant to go intodetails of possible measures. Mr. Healey, who finished writing a 50-minute speech on confidence vote, pleads pre-Budget purdah. Sir Geoffrey says the Tories would need to

see the Treasury books before deciding on their Budget. The key constraint on Budgetary measurea is the level of public sector borrowing. Mr. Healey has committed a Labour government to a ceiling of £8.5hn, while the Tories helieve that the figure should he lower, unspecified amount. hy an unspecified amount. Within these constraints, the

dehate is about the halance of The Government has not yet nationalised industries is also published an estimate of now estimated to be £283m less than in January. Those are all largely granted to the following for 1979-80 on pretaxes and spending. sent policies. However, several leading City analysts have estimated that horrowing would be about £10bn in 1979-80 after taking account of the increase in income tax allowances in proportion to

inflation announced in the April 3 caretaker Budget. The figures are subject to a large margin of error because of uncertainty about the relative growth of public and private sector wages. In par-ticular there are doubts about the size of pay rises awarded as a result of the public sector

comparability studies. Mr. Healey has said that his Budget would take in out of the income tax net. That indicates that a Labour Budget would increase the personal allowances by more than was announced on April 3, at a probable extra cost of hetween

£500m and £600m.
In addition, Labour has promised to increase child benefits from £4 to £4.50 a week

from November. Mr. Healey said that would be paid for by tightening control over the public sector, partly by raising indirect taxes and partly by increasing taxes on companies in ways that do

not affect jobs."
Mr. Healey has repeatedly refused to provide elucidation. The most likely measure is an increase in the excise duties on alcohol, tobacco and petrol in

proportion to inflation. It is not clear which company tax would fail to affect jobs. But Mr. Healey has always argued that increases in the employers' national insurance surcharge have been followed by falling, not rising unemployment. That is strongly contested by much

of industry.

On public spending, the years.

tight squeeze on goods and services hought in from the private sector. Although the assumptions on pay allow for some loopholes, the limits imply a 2 per cent squeeze on manpower costs.

In addition, estimates published on April 3 suggest that the Government was intending to announce further cuthacks in spending below the levels planned in last January's expenditure White Paper. . The total provision in the supply estimates was £559m less than that planned in January on the same price basis.

No explanation has been offered. The main differences are in the trade, industry, energy and employment budget: £225m less than previously planned. That might in part be explained hy the announced £200m transfer of export credit refinance from the Government to the Trustee Savings Bank.

· Government lending to the largely financial transactions, some within the public sector itself, with no antomatic impact on spending programmes.

There is also a suspicion that the Government was intending to freeze part of the £800m contingency reserve for additional spending in 1979-80. That might have left only a small margin for unforeseen items. The Conservatives have

merely said that they want to make a start in an early hudget on their phased programme of reducing hasic and higher rates of income tax. They have said that that will be financed through higher indirect taxes, notably Value-Added Tax. and savings in public spending.

Mr. Nigel Lawson, a Tory economics spokesman, has talked of cutting back public expenditure to the same real level as in 1977-78. That was just over £4hn less than that planned for 1979-80 after allowing for once and for all items and ahortfall. But such a reduction is expected to take several years to implement.

The rest is unclear, but, contrary to Lahour arguments. there is no reason to believe that the whole burden of any tax cuts would fall on higher

Admittedly, any trimming of spending programmes would not begin to hite until 1980-81, hut a new Tory administration might huild on the Lahour cash limits squeeze: a war on waste by another name.

There may also be more scope for financial adjustments and the Treasury no doubt has other ideas in addition to those adopted by Lahour. Any early Tory budget would inevitably be fairly simple, with more complicated changes left until later

# Labour 'will resist extremists'

Mr. Harold Lever the Prime Minister's economic adviser. yesterday acorned the idea of xtremists' taking over the abour Party.

He said in Manchester: "I reject the notion that Jim Callaghan, Denis Healey, Stan Orme, the Social Security Minister, Joel Barnett, Chief Secretary to the Treasury, or myself, are a kind of window dressing to be pushed aside after the election in favour of extremists of some kind.

"Broadly speaking, people who think that are saying that after we have been elected there will be a quiet funeral of

12 OCT 1977

The first requirement would

he a willing corpse, but there is no sign of any of the gentlemen I have mentioned heing likely to play that role. Therefore I am satisfied we have the best resistance to all forms of extremism

The Conservative Party is regarded as a "pushover" in Europe, Mr. John Silkin, Mr. Varley Agriculture Minister, told the meeting at I Electrical and Plumbing field: "The N Trades Union conference in

\*Adjusted for net re-invested income

Last year was not a glittering success

for the stock market, as the lower lines on the

Legal & General's skill in managing our invest-

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leading financial institutions, is able to

generally possible for the private investor.

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ments enabled us to overcome the problems

and produce a very good performance.

spread across the UK securities markets,

the best balance requires the technical

ability to take immediate action.

ment Portfolio.

But, as the upper line clearly demonstrates,

graph above show only too well.

cratic socialism in favour of Thatcher trying to distance hersome minority group of militant self from previous Conservative policy on the EEC under Mr. dward Heath.

"The trouble with Ted Heath is that he was out of his league and the hig fellows in Europe looked on him as a pushover.
Mr. Eric Varley, Industry
Secretary, gave a warning that a Tory government would cripple" the National Enter-

Mr. Varley told an election meeting at Inkersall, Chester-field: "The NEB has created or maintained over 300,000 johs. It is our largest single exporter.

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\*FTA ALL SHARE INDEX

\*FTA IS YEAR GILT

30 MARCH 1979

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Naturally, we can't guarantee that the value of your investment will increase.

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And cutting along yours, or calling your insurance broker, will bring you one step nearer to making the right investment decision.

the Capital Investment Port	•
Name	
Address	

To: Graham West. Legal & General Unit Assurance, 52 Pall Mall, London SWIY 5LE.



# Abbey National in Europe New directors for

Mr. Hugh McInnes has been appointed chairappointed manager of Euroman of the SAND AND GRAVEL
He has been with the company
ASSOCIATION, in place of Mr.
SOCIETY and will be based at

ASSOCIATION, in place of Mr.
Norman Davis. Mr. G. E. P.

SOCIETY and will be based at SOCIETY and will be based at Jackson is very the Society's new office in the Rue Montoyer, Brussels. He has been a general manager for Abbey in Scotland and Northern Ireland and at the head office in London.

Mr. C. G. Mackie has been appointed to the Board of BOOTH (INTERNATIONAL HOLDINGS).

Sir David Checketts bas been appointed a part-time member of the executive staff of the BRITISH ELECTRIC TRACTION BRITISH ELECTRIC TRACTION COMPANY. Sir David was Equerry to the Duke of Edinburgh from 1961 to 1966 and to the Prince of Walea from 1967 to 1970. From 1970 until the end of last month he has been Private Secretary to the Prince of Wales.

Mr. Brian Reilly has joined NATIONAL PANASONIC U.K. as its first chairman. Mr. Akiya imman is managing director of mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting at TURNER AND Mr. S. M. Gravett bas heen appointed controller, group accounting acc · \*\*\* \*\*\*\*

Teson, deputy aviation of GUARDIAN ALL EXCHANCE ASSUE a Indicated the company's aviation of GUARDIAN. Mr. Roy, Whithear has been proposed to the Board of Company's aviation underwriter cial director. on the retirement of Mr. A. F.

Mr. William Rao bas been appointed financial director of ROAN CONSOLIDATED MINES RUAN CONSOLIDATED MINES
to succeed Mr. Bryce Porter who
bas left Zambia, Mr. Rao was
formerly group managing the partnership of R. aschairman of that company.

LAYTON AND CO. atockbrokers,

\* Previously deputy managing director, Mr. Scott succeeds Mr. A. W. Behrens, will be H.F. Spanton, who will continue formerly group managing the partnership of R. aschairman of that company.

\* The Miniater of Agriculture has appointed Mr. A. W. Behrens, will be the partnership of R. aschairman of that company.

Dividends

Jackson is vice-chairman of the

Mr. Brian Forsyth has been appointed divisional personnel manager of DUNLOP GRG Division, in succession to Mr. Derek Burnham who bas become manager of the division's Wrexham factory. Mr. Forsyth was general production manager at the Tyre group's Inchinnan plant.

that position.

NURDINE PEACOCK

THE Cash and Carry WHOLESALERS

PRELIMINARY ANNOUNCEMENT

STATEMENT BY THE CHAIRMAN

Mr. W. M. Peacock, M.A. On the first occasion of my reporting to difficult. Our order book is only as long you as Chalrman I am pleased to report as our car parks are full and there are

Ordinary shares, proposed\*

\* Payable on 6th July 1977, 1979, to sharebolders on register at close of business on 6th June, 1979. Already paid .....

Supplementary for 1977, proposed\* .....

Making a lotal of .....

Taxation .....

Profit after taxation .....

Earnings per share before taxation ..... Earnings per share after taxation .....

Profit before taxalion .....

Amounts absorbed (net of waivers)

that the eleventh year's trading of your Company as a Public Company once again shows record sales and profits. Sales of

£237,811,000 are increased by £23,726,090 over the figure of £214,085,000 achieved in

the previous year. Profits of £5,435,000 hefore taxation show an increase of £569,000

over the previous year's figure of £4,866,000. Profits after taxalion are £4,278,000 compared

The corporation tax payable on this year's profits is £677,000 which compares with £1,820,000 payable last year. This reduction results mainly from the increased stock that

we bought in December in anticipation of the lorry drivers' atrike, which gave us a

total tax benefit through stock increase

Your Directors are recommending a final

dividend of 1.1879p per sbare. This together with the interim dividend of 0.87p per share

already paid makes a total for the year of 2.0579p per share. They are also recommending a supplementary dividend of 0.01595p per share for 1977 to enable shareholders to take full advantage of the reduc-

tion in the rate of tax credit which affected their dividend for that year. The total divi-dends of 2.0579p per share for 1978 compare

with 1.85885p per abarc for 1977 and are the maximum allowed under current legisla-

tion. As in previous years, I have waived the dividend on my own shareholding.

Trading during 1978 was not easy due to a combination of circumstances: the continuing price war, a number of atrikes at

manufacturers, which inevtably disrupted aupplies, and direct selling activity by the eigarette companies, particularly from June onwards. This tast factor was the sole reason

for our lower sales increase in the second half. Conversely our non-food sales became more huoyant as the year progressed. The

decline in cigarette sales as a proportion of the "mix" and the increase in non-foods

led to the improvement in the gross margin in the second balf which is reflected in

the fact that all the increase in our net profit occurred in that balf.
The Branch at Plymouth, mentioned in previous reports, was opened in November, 1978, and bas made a very satisfactory start. It

did not, of course, make a large contribution to the year's sales and the opening costs bave as usual been written off immediatety. The process of refurbishing and updating the older Branches has continued with good results in terms of sales and profitability. More Branches have been equipped with our mini-computer system, bringing the total to seventeen so far. With a view to developing the use of these computers a great deal of work bas been carried out at oor Hanwell Branch thronghout the year.

Branch throughout the year.

Looking at 1979, the year bas started well

due mainly to two factors. First, the com-bination of the strike in January, atready mentioned, and the had weather ted to the

mentioned, and the had weather ted to the public realising once again the value of the

public realising once again the value of the neighbourbood abop. Secondly, we introduced this year a new promotional theme designed the year and reason why they about about the hard reason why they about they are they about they about they about they about they about they are they are

successful. As a result oor sales for the

than 15%.

To make a forecast for the rest of the first four months show an increase of more vear is, as atways in this Trade, most

did not, of course, make a large contribution

with £2,623,000 last year.

relief of £1,733,000.

Mr. Gooff Hill has been appointed sales director in charge of a new nepartment set up by REED PAPER AND BOARD (UK) to bandle sales of all corrugated case materials produced at Aylesford, Sun and Tovil Mills.

Mr. Otis H. Smith has become president of BOEING VERTOL COMPANY, succeeding Mr. Howard N. Stuverode, who bas been appointed a vice-pressient of Boeing Aerospace Company in Seattle, Washington.

Mr. James Wyness has been appointed to the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main Board of BOWTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS and the main BowTHORPE HOLDINGS as a second appoint of the main BowTHORPE HOLDINGS and the main BowTHORPE HOLDINGS non-executive director. He is a partner at Linklater and Palnes, legal advisers to the company.

Professor W. G. Overend bas been appointed Master of BIRK-BECK COLLEGE (UNIVERSITY

Dr. A. B. Harrington has of John Townsend and Co.
retired as bead of the CIVIL
SERVICE MEDICAL ADVISORY
SERVICE and has been succeeded by Dr. A. M. Semmence.

pany to join the family busing th

Mr. Len Schtt bas heen appointed head of P and O passenger division and managing SENTRY INSURANCE GROUP director of P AND O CRUISES.

(UK) Previously deputy managing

Mr. Bavid Graveson has been Hagger as a member of the Mr. Weil. Sheepard, deputy appointed Edinburgh representations the Hops Marketing Board for chairman of the Hoveringham tive of Manufacturers three years.

1977 :

1.0529p

per share

0.79p

per sbare

per sbare

214,085

4,868 2,243

2,623

504

507

1.85885p

1978

per sbare

0.87p

per share

2.0579p

1,157

566

many conficting influences at work: food sales in the country are at best static, competition is as fierce as ever and inflation

would seem likely to increase steadily

through the year. In spite of all difficulties, however, I believe we will give a good

account of ourselves and am bopeful that

we will once again produce record sales and

With regard to expasion, we are huilding a Branch of 60,000 sq. ft. to replace the two units at Brighton, effectively doubling

our sales area, and this should be operational

in the Autumn. The demand in that area

is very great and we believe the replacement will quickly reach its full potential. Planning

permission has been received at Luton, Bedfordsbire, for a Branch of \$0.000 sq. ft. and this will be commenced sbortly with

a view to being opened in the early unru of next year. The search goes on for suitable

In addition to our own warehouse at Brighton

we are also constructing four more buildings

on the same site, totalling 45,000 sq. 1t., one of which is already let and we intend

to retain these as an investment. We have

changed the name of oor wholly-owned sub-sidiary company to Nurdin & Peacock Properties Limited and the development is

As has already been announced in the Press,

my father. Mr. Jack as he is affectionately known throughout the Company and the

Trade, decided after fifty-six years' service—thirty as Chairman—that the time had

come for him to retire from your Board.

I was pleased to accept the invitation of your Board to become Chairman and I am glad to say that my father has agreed to become the first President of the Company

so that we aball continue to have the benefit

so that we aball continue to have the benefit of his wisdom and experience. Under his guidance N & P has grown from a comparativety small private company to one of the bigger companies in our Trade and one that is widely respected for its integrity and attitude lo all concerned, inside and outside our business. I intend that in this respect

nothing will change. Ir gives me great pleasure to thank our Staff, on your behalf, for all their hard work which

has chabled us to produce these results. Their enthusiasm and ability to work as a team is our greatest atrength and showed at

its best during the bad weather and indus-trial troubles earlier this year. We took

forward lo working together as bappily in the future as in the past.

opportunities for further expansion.

being carried out by that Company.

# Barker & Dobson

Mr. R. W. Beaman, Mr. A. E.

Sharp and Mr. P. F. Slewart appointed deputy chairman and bave been appointed to the Board of BARKER AND BOBSON GROUP

\*

Mr. Eric Grsyson has occur appointed deputy chairman and Mr. George Helsby, group man-Board of BARKER AND Mr. George Helsby, group man-Board of BARKER AND HALLAMSHIRE HOLD-INGS. Mr. Grayson cootinues are chief executive of the mining

following the retirement of Mr. w. D. W. Sloan. Mr. P. P. Walsh has become manager. Barfield Trust is jointly owned by Baring Brothers and Co. and the Bank of N. T. Butterfield and Son of

Mr. E. Peter Gush, president of HUDSON BAY MINING AND SMELTING COMPANY, has become chief executive in place of Mr. H. Ronald Fraser, who remains chairman.

Mr. Dieter Timm, representative in West Germany for REA.

BROTHERS, bas been appointed a director. Mr. Anthony Townsend is leaving the company to join the family business.

Mr. D. G. Horner, vice-chairman of Barclays Bank UK Management and former senior general manager of Barclays



Mr. D. G. Horner

Bank, has been sppointed to the Board of the FIRST NATIONAL FINANCE CORPORATION. He succeeds Sir Richard Pease, who is retiring from the FNFC Board because of pressure of bis other commitments within Barclays Bank.

Mr. E. G. Litton has been appointed managing director of ROCHFORD-THOMPSON.

Mr. Dudley Fisher, chairman of Wales Gas, has been appointed a member of the Government's new ADVISORY COMMITTEE ON LOCAL GOVERNMENT AUDIT for three years.

Mr. Michael Cooper has been appointed managing director of CONDER SCOTLAND, a member of the Conder Group.

Mr. Ron Morris, former director and general manager of European flooring operations, Armstrong International, has been appointed managing director of FORBO-KROMMENIE (UK).

### LLOYDS BANK

Mr. Jack Dunn has been appointed general manager (management services division) of LLOYDS BANK in succession to Mr. Gordon Hague, who is retiring on July 31. Mr. Leon Wilkinson, regional general manager responsible for the North and East Midlands, bas been made an assistant general manager of the bank.

Mr. Jeff Pasley has been appointed managing director of IZAL PHARMACEUTICALS, division of Sterling-Winthron Group. He joined Bayer Products (nnw Winthrop Laboratories) in 955 and became chief executive of Winthrop Pharmaccoticals in

Mr. D. E. Marlow and Mr. G. S. Stone have been appointed to the board of the FRIZZELL GROUP.

Mr. P. F. Lacas has been ap-PRODUCTS, a Hawker Siddeley company, as production director.

Mr. Michael Holme' bas heen appointed finance director of ARTHUR MAIDEN.

Mr. W. Jack bas been ap-pointed managing director of JLG INDUSTRIES (UX).

Mr. Christopher Czilinsky has non elected to the Board of the LIVERPOOL DAILY POST AND ECHO as an executive director with responsibility for group personnel and training.

Mr. Nell Anderson has been appointed to the newly-created position of deputy controller for Scotland of the LEICESTER BUILDING SOCIETY.

as a non-executive director on

FIELDS OF SOUTH AFRICA and Dr. A. H. Tante resigns on May 31. Dr. Wilmnt, a former Deputy Governor of the South African Reserve Bank, Joined the Board as a non-executive director in 1971. Dr. Taute will be replaced as an executive director by Mr. P. W. J. van Rensburg who has been general manager of the gold division for the past four years. Mr. G. G. Nortboote has resigned as a the past four years. Mr. G. G. Northcote has resigned as a director of member company,

Mr. J. G. J. Evett bas been as chief executive of the mining appointed managing director of division.

BARFIELD TRUST COMPANY \*

Mr. Derek Cooper has been appointed managing director of KEDDIES. Mr. Chartes Atsma becomes director of buying and Mr. K. J. Christy, store director, Southerd

TOUCHE ROSS AND CO. has admitted eight new partners: Mr. P. J. Coates and Mr. J. G. Power (tax) and Mr. D. G. Burton and Mr. M. J. Turner (audit) in London. Mr. P. L. Rose (audit) in Leicester. Mr. J. Coates and Mr. J. Carrey Mr. J. Coates and Mr. Mr. P. L. Rose (audit) in Leicester. Mr. J. Coates and Mr. J. Carrey Mr. J. Rose (audit) in Leicester. Mr.

1. McIsaac, Loodon, and Mr.

G. J. Watts, Maochester, will specialise in insolvency. Mr.

A. S. Wray is a partner of Touche Ross and Co., manageent consultants.

Mr. Peter C. Hankinson has joined the Board of PLASTIC COATINGS, a member of the Plascoal Ioternational group.

Mr. Charles. H. Gerrard has resigned as a director of FRANCIS SHAW AND CO on leaving to take up a new appointment out-

Mr. Paul Fennell has been appointed joint managing direc-tor, MARFLOW ENGINEERING. He is managing director of MEL Sandwell an associate company.

Mr. D. P. C. Wetner has resigned as a director of FAIRCLOUGH CONSTRUCTION GROUP and of its relevant subsidiaries and associated companies.

Mr. Dan Broström has been appointed managing director of BROSTRÖM (UK) from September 1. Mr. James A. Hodgson, the present managing director, will become chairman and also continue as managing director of Hoverlloyd.

Mr. R. Drummond and Mr. R. A. R. Skinner have been annointed directors of SCRIM-GEOUR HINCHLIFFE, a subsidiary of J. and A. Scrimgeour. :-

Mr. Ronald K. Parsons has heen appointed a director of CANTERBURY PRECISION EN-GINEERS, a member of the Robert Brett Group.

Mr. F. J. Benton has been appointed chairman of the NATIONAL BRASSFOUNDRY ASSOCIATION in place of Mr. Jultan Usber-Smith, Mr. Benton is managing director of York shire Imperial Fittings.

Mr. N. B. Brown has joined WRIGHTSON STEWART (MARINE) as a director,

# CONTRACTS AND TENDERS

### SIERRA LEONE ELECTRICITY CORPORATION

FREETOWN, SIERRA LEONE

Prequalification of Contractors The Sierra Leone Electricity Corporation, Freetown, iovites interested contractors to prequalify for the delivery and erection of the first phase of a 33 kv grid system in the western area of Sierra Leone.

The project will comprise the supply and erection of two indoor aubstations with one 15/20 mva, 33/11 kv transformer and one 10 mva, 33/11 kv transformer respectively, including switchgear and civil works, supply and laying of two parallel cable systems, cach of three 33 kv single-core cobies, over a distance of 7.4 km.

The project shall be financed by BADEA, the Arab bank for development in Africa.

Contractors having the necessary capacity and experience in this type of work, preferably in countries similar to Sierra Leone, are invited to submit their application for prequalification with the relevant documents showing their expertise, place of husiness, place of registration, affiliations and subsidiaries place of hu subsidiaries.

Applications should be submitted in the General Manager, Sierra Leone Electricity Corporation, private mail bag. Freetown. Sierra Leone, or to the Conaulting Engineers. Messrs. Ingenieurhuero Oskar von Miller Gmbb. P.O. Box 800628, 8000 Muenchen 90. West Germany, on or before June

### TRAVEL

MONACO GRANO PRIX SEE IT IN STYLE DNLY A FEW
LUXURIOUS SEA VIEW
DOUBLE ROOMS AVAILABLE
INCLUDING FLIGHTS
PRIPE: £477.50
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Includes In June Color of the Motel
Low supplications exhausted to the Hotel
Esquiries 01-724 3401

BRDWSE & DARBY, 19. Cork 5t. W.1. DEGAS AND RODIN — Branzes and drawings. CDLNAGHI, 1e. Old Bond St. Landon, W.I. 01-01 7402. PAINTINGS FROM MUGHAL INDIA. 10 April-19 May. Mag.-Fri. 9,30-6. Sat. 10-1. COVENT GARDEN GALLERY LTD. "A
PLACE IN THE COUNTRY." Soring
Watercoloury Exhibition. 20. Russell Street. W.C.2. DECORATIVE INTERIORS GALLERY. OI 352 6050. 27e, Fulhem Road. London SW10. Mon.-Frl. 17 nm-7 pm. Presenth exhibiting Emile-Jacoues; Ruhlmann.

ART GALLERIES

### RESIDENTIAL PROPERTY

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require an expertise not usually offered by the agent in general practice.

Our experience is based on 20 years' continuous specialisation in this field and we effect lettings of fine houses and flats cacb day in all good residential districts of London and neighbouring counties, We now have enquiries from diplomats, academics,

executives of international companies and all manner of business and professional people requiring accommodation for between three months and three years at reots from £75 to £750 a week.

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NICE, FRANCE—Mod. Flat nr. sea. From mid May, reasonable, payable £. Long lei preferred. 262 3828 am.

### EDUCATIONAL

Education after .16 Dertington Hall School is now able to onnounce details of its special protect aimed at bridging the Opp between school and adult life . . the

The Programme is planned to benefit both school leavers ANII those who would gein from returning to full-time education, its basin is this: before innyone can get down to the work their suits his or her ebility and nature they need to 'experiment' until they ere sure what their work should be. We offer n unique blend of continuing education with actual work experience. It means the arming by the control of the control

6-month courses begin of Oct 1970 and April 1st 1980. For fuller information, piesse write to John Wightwick, F.T.1, Headmaster, Onrunotop Hall School, Topes, Devon

### LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976

NOTICE TO NON-ASSENTING

(Porsuan to Section 2 1948)

Re THE RESIDENCE SECTION

Re THE RESIDENCE SECTION

Re THE RESIDENCE SECTION

Re THE RESIDENCE SECTION

Residence Section 2 1948)

Residence Section 2 1948

Residence Section 2 1948

Residence Section 2 1948

Notice by RITZ (RARIS)

Notice by Ritz (Raris) Signed: MORGAN GRENFELL TRUST CORPORATION (JERSEY) LIMITED For RITZ PARIS) HOLOINGS LIMITEO.
Dated this 2nd day of May, 1070.

### CLUBS

VE. 139. Regent Street. 734 OSST. A in Carte of All-In Mena. Three Spectacular Floor Snows 10.45. 12.45 pnd 1.65 and music of Johnny Hewkesworth & Friends. GARGOYLE, 69. Ocan Street, London, W.1.
NEW STRIPTEASE FLOORSHOW
- AS YOU LIKE IT'
11-3.10.3m, Show nt Midnight and 1 nm,
Mon.-Fri. Closed Sniurdays, 01-437 6455.

### ART GALLERIES

LEFEVRE GALLERY. CONTEMPORARY PAINTINGS. Weekdays 10-5. Sals. 10-1. At 30 Bruton Street, London, W.I. Tel: 01-493 1572. MALL GALLERIES. The Mall. S.W.1.
PORTRAIT PAINTERS. Royal Society's
Annual Exhibition, Mon., Spr. 10-5. Until
May 16. A0m., Sop. OMELL GALLERIES, 40, Albemarie St., Piccarilly. W.1. New selection of fine modern French paintness, including Blanchard, Chettoux, Deschamps, Oeillo, Gresot, Herve, Jacob, Pesset, Robin, etc., and ne modern British marine paintings and water Colours.

# CLERICAL MEDICAL IN 1978

# AVERY GOOD YEAR FOR OUR PREMIUM INCOME, OUR PRODUCTS AND OUR PERFORMANCE

Our new premium income

In 1978 new annual premiums were almost double last year's (£19.1m compared with £9.6m in 1977), but this increase was accompanied by an even higher rate of growth in single premiums (from £7.0m to £15.3m). And total sums assured in force, including equivalent cash sums of pension



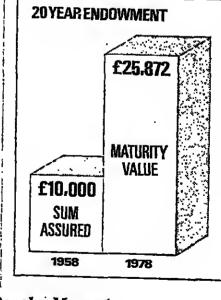
YOUR DEVISE HAVE AND WHEN TOUR 

Our products

Our range of policies - and the consistently good results produced for policyholders – is undoubtedly one strong reason for the upsurge in new business that came our way in 1978. And during the year we strengthened our product range still further, with the addition of a new Personal Pension Contract for the self-employed and a Minimum Cost Endowment Policy offering an even lower cost method of mortgage repayment. More and more intermediaries and their clients also made use of our expanding Personal Financial Planning Service.

Our performance

Sound investment performance is the key to success for any life office, and our record over the years speaks for itself in the high levels of bonus we are currently paying. A with-profits endowment policy, taken out with Clerical Medical in 1958 for a sum assured of £10,000, would have matured in 1978 for a tax-free payment of £25,872-a highly competitive return.



# Extracts from the Statement by the Chairman, Mr. Douglas Morpeth.

\* 1978 has been a year of considerable achievement for the Society. The remarkable increase in the amount of new business written is a result of the reputation which the Society has established as one of the leading life offices in the country.

individual and group business in 1978 the Society has strengthened its relationships with its long-standing brokers and agents.

confidence that however the market develops the

they take too short a view, the necessary corollary is that nothing must be done, nor be allowed to happen which might lead to the subordination of policyholders' long term interests to the short term interests of other groups.

\* Life offices must have a real sense of responsibility

the long term needs of British industry. They will be

towards the companies in which they invest and towards

failing their policyholders and failing the community if

A copy of the 1978 Annual Report and Accounts is available on request from the Society's Secretary.

# Clerical Medical & General Life Assurance Society

15 St. James's Square, London SWIY 4LQ. Tel: 01-930 5474. Incorporated in England by Act of Parliament with limited liability No. X193.

Head Office: Bushey Road, Raynes Park, SW20 OJJ. Tel.: 01-946 9111

the future as in the past.

We are keen to reward our Staff, on whose loyalty and hard work the future profits and growth of the Company depend, by enabling them to participate in such profits and more closely identify themselves with the growth of N & P. Accordingly the Board propose, subject to the approval of sharebolders, to introduce a Share Participation Schyme are which an annual sum of up to 5% of the net pre-tax profits of your Company teommencing with the 1979 profits I shall be set aside to acquire N & P Ordinary Shares which will be distributed to all Staff egularly working more than sixteen hours a week and with three years continuous service. It is boped that the complicated tax saving provisions of the Finance Art 1978 will be simotified and your Board will take a final decision on the details of the take a final decision on the details of the

Mr. Malcolm Lowe, who joined the Benn Group in a part-time capacity as a director of Benn Publications last year, will be joining the board of BENN BROTHERS, the parent company,

Dr. J. B. de R. Wilmot has re-signed from the Board of GOLD FIELDS OF SOUTH AFRICA Mount Lyell Mining and Railway.

Panancial Tuncs 9th January 1979

\* By increasing its share of the market both for

\* We look forward to the current challenge with Society will have a successful 1979.

Offices in:
Aberdeen, Ashton-under-Lyre, Belfast, Birmingham, Bradford,
Aberdeen, Ashton-under-Lyre, Belfast, Birmingham, Bradford,
Brighton, Bristol, Cambridge, Cardiff, Channel Islands,
Chelmsford, Cheitenham, Chester, Colchester, Coventry,
Croydon, Dundee, Edinburgh, Exerce, Glasgow, Itall, Ipswich,
Leeds, Leicester, Lincoln, Liverpool, London (2), Luton,
Maidstane, Manchester, Newcastle-upon-Tyne, Nurwich,
Nottingham, Oxford, Plymouth, Postsmouth, Preston, Reading,
Sheffield, Southernesson Washerdernesson

Steffield, Southampton, Watford, Wolverhampton.



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- 5. Our commercial loan documentation is often simpler and more concise.
- 6. Our decisions are fast.

# 

est us.

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And remember-we deliver a range of international services no other bank can offer.

### • INSTRUMENTS

# Counts the vehicles

record of the total vehicles per unit time is not required.

and commercial uses where traffic totals are required for shopping centres, car parks, garage forecourts and car

Portable, weighing only 3kg. it is powered by a standard 6v dry cell battery and operated from a Standard pneumatic road tube sensor. As vebicles pass PRODUCTS made by Pneumo over the tube, the change in air Precision Incorporated of New pressure is sensed by a scaled Hampshire are to be marketed solid-state detector connected to a six decade electromagnetic counter. The counter is incremented one count for every two OSP, 0533 23801). plees, the maximum count

through the viewing window and again at the end of the survey, the difference between and again at the end of the will include air bearing rotary survey, the difference between tables baying diameters ranging the two totals giving the numing from 200 to 1500 mm with ber of vehicles passing tha site during the survey period.

Housed in a 152 x 120 x horizontal and vertical linear 176 mm cast aluminium cash straightness measuring modules sealed against the environment, within the range 300 to fitted with tamper proof hinges fitted with tamper proof hinges 1000 mm.

a vehicle counter costing only counter is designed to be £115, is for applications where reliability at low cost is important and where a permanent range is -30°C to +70°C.

ecord of the total vehicles per init time is not required.

These include traffic census

Golden River Company, Telford Road, Bicester, Oxon OX6

OUL. Bicester (08692) 44551.

# Metrology agreement

Precision Incorporated of New

polses, the maximum count the country good and the counter response 10 vehicles/sec.

At the beginning of the survey the Autocount total is noted Taylor Hobson brand names. Talycentric and Talytron. They



PRODUCTION job costing is one management control that can take np a great deal of time and effort. The problem is hasic-ally one of collecting cost centre source data accurately and of getting it to the office quickly—for tha factory floor is not the best of clerical environments.

Automatic Revenue Controls has designed a method which makes job coating a semi-automatic part of the overall time/ attendance control arrangements. It involves Plaotime, introduced a few months ago as an electronic improvement on clocking-on.

Employees insert nylon keys or identity cards into a wall unit on arrival and departure. In that unit—connected to a processor—total hours and minutes worked to date that week are beld. Time attended accumulates automatically and precise times of arrival and departures are recorded too.

Much of the information for job costing therefore is already in the time keeping system. The difference is that with the cost of the cost Plantime it is not on carda at the entrances, but already available for computer input.

Using simple keyboard terminals around the works, the team is allocated throughout the accuracy. day can be entered. The date As with the main bulk of captore and cross referencing, and time of allocation is Plantime's attendance information and containing the content of the captore and cross referencing.

ARC. Shakespeare Industrial recorded automatically at the tion, these details are recorded Estate. Watered, Herts WD2 time at which the entry is made. on paper tape, magnetic tape or 5HD. 92 44300.



All the operator neads to know floppy disc for direct computer is the employee's works number entry to the existing job costing and the job reference number.

Human error is unlikely to the operator and, presumably. tha employee can watch the tasks to which each person or entry baing made to check

Comparison of data received creep in since the two figures from the time-keeping system entered are displayed back to and cost centre entries will reveal production allocation, downtime. unaccounted time and so on in a way which at present requires manual data captore and cross referencing.

# PROCESSING Provides pure water

WATER FROM the tap may be purity the unit is connected to aafe for bumans in a good state an ion exchange system. of health to drink, but it is too contaminated for many industrial processes, research work supplies cootaining up to 3,500

and medical purposes. Elga Products which has specialised in water freatment for many years has just intro-duced equipment called Labro suspended matter entering the which, it is claimed, exempli-fies a new concept in content. fies a new concept in reverse osmosis water purification. The process separates the dissolved

laboratories and functions with- use in renal dialysis.

The reverse osmosis membrane used can operate over a 4 to 8.5 pH range and on water parts per million total dissolved

0.5 litre per minute. In the medical field, Elga. which is at Lane End. Bucks. salts from water by applying a (0494 \$81393), has also devedifferential pressure across a semi-permaable membrane.

It is a mobile, electronically controlled unit for use in laboratories and functions with oot ebemical additives. Up to 95 per ceot of dissolved proportioning dialysis mathine inorganic salts, together with most of the inorganic matter, is claimed to be removed. For the highest possible degree of 1 litre per minute.

# Pin-point welding torch

and operated on oxygen and fuel and operated on oxygen and fuer gas (acetylene, hydrogen, propane or MPS), the "Little Torch" produces up to 6,000 degrees Fahrenheit. Flames from it are so small that they easily go through the eye of a

needle. Equipped with five different-size tips, each of which has a sapphire jewelled orifice for durability and precision flame control, the Little Torch welds metal smaller than 0.001-in wire

up to 18-gauge ateel.

Uaed on glass, ceramics, and most special experimental metals with high melting points,

DEVELOPED by Tescom Corpo-ration. Minneapolis. Mionesota, and operated on oxygen and fuel gas at the rate of 0.023 to 2.54 standard cuhic feet per hour. Tescom Corporation, 2600, Niagara Lane North, Minnea-polis, Minnesota U.S. 55441.

# 6 COMPONENTS **Monitors**

IN APPLICATIONS where the bighest quality compressed air is essential, monitoring of filtration conditions is vital, asserts Spirax-Sarco, Charlton House, Cheltenbam, Gloucester (0242

orange warning of exactly bow conditions stand, and how long before replacement of filter elements must he made. State of the filter element can be seen whether air is flowing or not, even when the system is at rest, the indicator retains ita aspect. Resetting is a simple job. Operator replaces the filter, unscrews the sight dome and

pushes the indicator to zero. Offered in sizes 1. 3 and 1 in. as with the company's SC2A ranee. the Ultraclean is also Loodon Road. Preston available with automatic drain. Telephone 0772 59781.

# • POWER Distributor can be moved about from Italy

Everton, Nr. Gamlingay, Sandy, It is stated that the machines Beds. SG19 2HX (0767 50011), are usually tailored to suit bas introduced a portable distribution unit.
Designed prima

side use in the shipbuilding and shiprepairing industries, the unit is fully weatherproofed and ean be quickly brought into action at each new location.

There are two electrical compartments, one for input con-nections via interlocked main switch and fuses and the other for outputs via plus and socket. The circuits bave earth leakage protection. Provision for additional protection, as well as transformers for 110 or 50 volts

RESEARCH

# Survival under water

It was one of 10 successful dives since October in which the

stomerged operations. Another set of dives including a fuel cell endurance test of at least 35 hours will begin shortly.

The 30 kW fuel cell was designed for tests on a U.S. Navy Deep Submergence Rescue Vehicle (DSRV) also designed and built by Lockheed. With two of them on board a DSRV.

two of them on board a DSRV could rescue the crew of a sub-marine stranded on the seabed without stopping to recharge its

consumes gaseous hydrogen and oxygen to produce power electrochemically without combustion. Water is a by-product.

submerged for up to 72 bours. alx times longer than was previously possible.

It detects the pressure variation in the submersible as a result of the crew's consump-



Fabrication takes into account condensation, corrosion and the hazards likely to he encountered in damp and confined surround-ings. Twelve gauge sheet steel is used finished in anti-corrosion and anti-condensation coatings.

# MATERIALS Resists fire and vapour

RECENT tests carried ont on a fire-retardant elastic polymerie coating, for application to flexible fire and vapour seals on offsbore oil platforms have proved it to be readily applied and to ensure a safe, im-permeable and permanent aeal. Manufactured by Bestobell

Aviation Products, the seals are supplied for fitment to pipes passing through firewalls and as many as 2,000 of varying alzea would be installed on a typical

platform.
While a degree of leakage is there are normally acceptable, there are apecific areas where absolute vapour tightness is essential. Tests on various coatings applied to the textile cover of the seal proved that Decadex Firecheck was the only material Company has introduced the Ultraclean SC2 range which incorporates an indicator housed in a specific with the long tracking, showing the long tracking, which gives an indicator housed tracking, showing the long tracking without cracking, showing the product.

A water-based product which can he applied to the pipework, iocluding the seal. by brush or spray, it forms, after curing, a tough elastic skin that withstands weathering, rapid changes in temperature, pollution, and oil spillage. It also complies with a range of BS 476 requirements for fire retardance. Decadex Firecheck is made by

Liquid Plastics, P.O. Box Loodon Road. Preston PRI 4AJ.

# METALWORKING Tailor-made presses

FOR SITUATIONS where electrical power up to 1.2 MVA presses manufactured by Piovan is needed for a variety of purofit poses at different locations on a site, Wysepower of Drove Road, Everton, Nr. Gamlingay, Sandy

specific requirements. Basic models range from 80 to 400. as a complete package including acciliary equipment.

A typical installation could include de-coiling equipment. power feed, scrap-chopper and component bandling away from the tooling area. Also, comlive

of print World Olive

expe Olive

figure custo Oliva

MOA

Olive electrication olive some simple exac

plete tooling sets can be designed and manufactured.

It is stated that apart from heavy duty blanking, these machines have also been used for the volume productions. for the volume production of laminations for the electric motor industry.

TWO DEVELOPMENTS which may enable industrial sub-marines to work submerged for much longer than is now possible have been successfully tested on the Lockheed research submersible Dccp Quest. They are a hydrogen-oxygen fuel cell to provide power, and an all chemical life support system.

The new fuel cell, similar to those aboard Apollo spacecraft, supplied the electrical power during a 5,000 ft (1.325 m) test dive lasting 41 bours. The dive was sponsored by the U.S. Navy and during it the fuel cell was subjected to a pressure of 152 atmospheres.

fuel cell logged 62 hours of submerged operations. Another

batteries.
One cell can produce 700 kWh of 120 volt direct current before refuelling, nearly seven times that which batteries can

provide.

The cell weighing 375 lbs (170 kg) and installed in six cubic feet of space (0.17 cu. m.) is supplied by United Technologies. It is self-contained and

The new life support system developed by Lockheed Missiles and Space Company generates oxygen and removes carbon dioxide. It will enable the Deep Quest crew of four to remain

tion of oxygen and controls the

the 5,000 ft test dive with the new fuel cell and could also add to the submerged time of

other vessels. A separate back-up emergency life support system to operate for a further 39 hours has also been installed. Like the primary system it used potassium superoxide (KO2) which combines chemically with the moist breath of the crew to release oxygen and at the same time removes carbon dioxide.

The emergency system uses three canisters. If the submersible's cabin becomes comes taminated it can provide 100 per ceot pure oxygen for the

crew for at least six bours.
Lockheed Missiles and Space
Company, Lockheed Way,
P.O.B. 504, Sunnyvale, Calif.
94084, U.S.



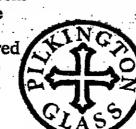
# K I W T T



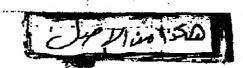
They're in demand all over today's world. High-technology safety windscreens for cars and aircraft. Bullet and bandit resistant glass for vehicles and buildings.

They're the best. One of these windscreens recently achieved a record 18,000 hours service in a Boeing 747.

And they're developed and manufactured by Triplex — a member of the Pilkington Group and an important contributor to the £100m Pilkington earned for Britain last year.



How's that for enterprise!



TIES!

# FINANCIAL TIMES SURVEY

Wednesday May 2 1979

# Lalculators

Today's increasingly powerful calculators are challenging computers on their own ground as the cost of additional functions, including voice production, falls and new applications become realities. The problem for the companies is to define the new uses and produce machines at the right price in the face of severe competition.

Plug-in intelligence

almost pocket size

produced some months ago for the Department of Industry's CSERB, which stands for Computers, Systems and Electronics Requirements Board, written to guide the board in its decisions on where to put powerful financial backing in the advancement of what could be called very broadly information bandling.

Written by Iann Barron, Managing Director of Inmos, and Ray Curnow, formerly of Sussex University's Computing Department—neither of whom needs any introduction to readers conversant with the current politico-economic arguments concerning new industries for Britain-it is a valiant attempt to encompass all the relevant technologies, explain them in language as plain as can be written about some areas of development, and then draw reasoned conclusions in each

It looks forward over the next 10 years. And calculator users and manufacturers will be taken aback to read that the authors see little future for these machines although probably 31m of them were sold in Britain last year.

In the next five years or so, the distinguished authors say, we will see very rapid progress in the development of personal computers, which have ability to talk to and derive information and instructions, from a much larger and vastly more powerful machine at, say, a central company, government depart-ment or educational complex.

This looks very much like an idea being developed by a group at the City University, London, for a compact "wandering slave" computer that a businessman would take with him on sales or

APPEARING ON the book investigative trips. He would shelves about now is a report use it as an intelligent notebook use it as an intelligent notebook and plug it into the main computer on his return so that the company's databanks could immediately be enriched with the results of his work.

So far, so good. But Barron and Curnow, authors of "The Future with Microelectronics" might like to ponder the fact that Francois Gernelle, credited by the French with baving designed in 1972 the first microcomputing system—as distinct from the naked micro-chip would not agree with them at all. His early work gave rise to a currently well-known product multi-micro processing unit.

Gernelle in a long interview with Ol-Informatique peremptorily dismisses personal computing. "C'est du gadget," be declares. "Very educational, no doubt, for a certain category of people especially for the young to whom it can give a taste for computing. But I do not think it can have any influence at all on the real computing market in France."

### Answer

But perhaps the best answer is one given by Prof. K. Steinbuch of Karlsruhe University. In the conclusion to a collection of essays, "Technological Forecasting in Practice," he says "in considering technological forecasting, we see a glaring disproportion between the frequently high-pitched expectations and the modest

"One thing is made repeatedly clear by this study:

to forestall them." Ob dear! No quaims about where calculators are going from Dr. Chris Evans of the National Physical Laboratory, head of a team which invented "Muppet," a

calculator with the ability to converse with its user and guide him towards a logical conclusion in many areas of application.
One of these is language translation — as distinct from straight word-to-word franslation provided by the — aiready astonishing — Lexicon calculator.

This last facility Muppet can provide, but it has also been screens that can provide \$465m, of which \$63m were in programmed so that there is graphics and with vast amounts Britain. ess likelihood of the user's falling into the linguistic snare that tripped President Carter on his recent historic visit to Poland. Then, his desire for a close relationship with the people of Poland was transmogrified, during interpretation, into a wish for carnal knowledge.

It is easy to make such mistakes using a dictionary. What the actual milestones of techno- straight word-for-word work can logical development, discoveries produce in the way of trans-and inventions cannot be fore- lator's bowlers is unimaginable.

cast. To forecast them would be So hurrah for Muppet!

Evens calls this machine and its descendants "pocket computers" and here is the nub of the argument: when does a calculator become a computer? He forcsees in the not very

Looking at another type of forecasting - the ubiquitous it appears that purchases of calculators of all types will continue to hold up well into the

Mackintosh Associates Yearbook distant future calculators with voice Input/output (the latter we already bave), with flat zerland and Spain for 1977 were

By Ted Schoeters

of oata storage on bigh-capacity chip memories.

The Texas Speak and Spell machine has voice synthesis from a solid-state device and is a brilliant piece of design, of which more later. Voice recognition is more difficult and much more expensive, at least at the moment. But there is a huge amount of effort going into this particular problem, not the least because of its obvious applications on the military front, and a simple, cheap solu-

For 1982 the figures arc, respectively, \$598m and \$98m, which means that the UK market will grow much faster than for Europe as a whole-by about 60 per cent over five years against less than 30 per cent. But one factor very difficult to integrate is the price crash which inevitably appears to affect each new model a few months after its appearance. And to allow for the effects of inflation at the same time is

seem that the market is settling down to a geatle growth which is not surprising it one accepts that the furious expansion of the early 1970s, followed by the setbacks of 1974-75 have shaken out the weaker brethren among the manufacturers. It seems that the £5 target

on the open market of the mass manufacturers also was their sticking point. According to Dixons, which is credited with some 30 per coot of sales in Britain, there is a demand for a very cheap machine, but it is The current "price trigger"

appears to be £10, or so this distributor / maker believes, basing its judgment on the fact that the very slim "credit card" calculator did not begin to move in volume until a £10 Prinztronic version became available, competing with Japanese machines 50 per ceot dearer.

it is now possible to put all the fuoctions of a medium scientific functions of a medium scientific is holding its own in Europe, which cannot now be done by model into a slightly larger though for how long would be credit card package. It thus difficult to guess. The problem means of an engineering depart appears that once the program- here is the impact of the active it may be.

Ever-increasing computer power on the desk top is typified by the Olivetti range of Logos calculators

ing has been done, due to high personal computer, however unlevels of automation in assembly, "bells and whistles" assembly, "bells and v cost very little more.

Unassailed, so far, in their supremacy in hand-held pro-grammables, Texas and Hewlett-Packard may begin to see some competition from Japan for their less powerful machines in this programmable category during the next six months.

impact

In the desk top area, where the distinction between a portable computer and a micro-computer assisted calculator is more blurred than ever, Olivetti

justified this may appear at the moment.

It should, however, give many industrialists cause to think that . Texas Instruments, taking its own medicine, recently distributed 8,000 of its most powerful programmables (the TI-591 throughout its U.S. factories. Initial results are that 40 per 4

cent less computer terminal time is being used by staff and at a rough estimate, for every \$1 spent on providing this form of support \$10 is being gained through increased productivity better problem solving and the natural instinct of the engineer to take his problem home-

Olivetti. The largest manufacturer of printing calculators in the

world. Olivetti. Forty years worldwide experience in calculators. Olivetti. Familiar with the daily figurework of millions of customers.

Olivetti. Foremost in calculator innovation. Olivetti Logos. 10 models of electronic printing calculators.

Just a few clear reasons why Olivetti can now give you so many permutations to solve simply and precisely your most exact calculating problems.

Do you want to compare two quantities? A single key (delta) gives you automatically the increment or decrement between the two quantities and its value in

Do you want to round-off the result of one or more

Enter the value required and carry out your calculations. The

results will automatically be rounded-off: the real result will be

calculations to a pre-established value?

printed first followed by the rounded-off one.



Do you need to calculate the hours worked by your employees?

Set the console selector at H (hour) position and enter the time-in and the time-out of each individual. You will obtain the time difference expressed in hours, minutes and seconds.

Do you want to calculate sales prices? Just enter the required percentage of profit and the cost of every item; you will obtain automatically the sales price.



Do you also want to calculate dates?

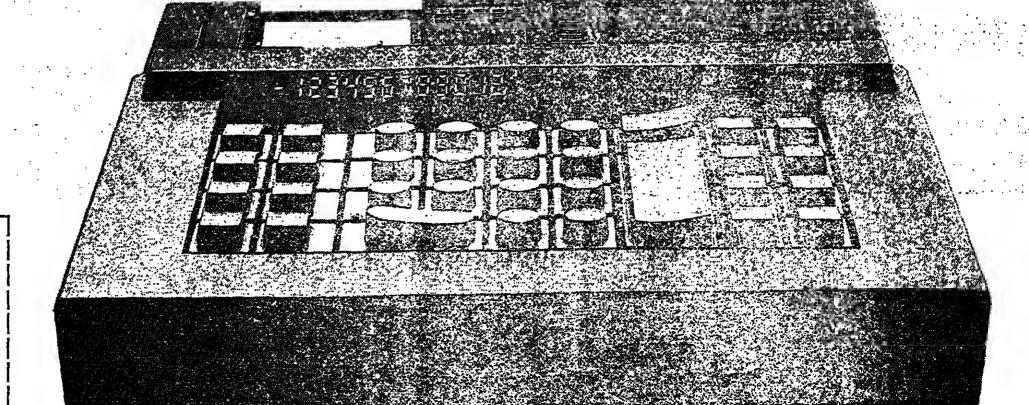
Logos 43 PD and 45 PD allow you to know: the number of days elapsed between two dates; a past or future date; the corresponding day of the week of a given date. These machines store two calendar centuries (1900-2099).



Do you wish some of your calculations to be

programmed? The Logos 45 PD can store one or even two operating sequences and repeat them automatically. You need only enter

# Olivetti Logos for the solution you need



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# Desk-top machines market encroaching on computers

stabilised and, for the first time for many years, prices are actually beginning to increase. Manufacturers of the better-selling machines have maintained a conservative policy of offering simplicity of operation without gimmicky features, since the majority of business sequence of pressing keys and routine operation by people at the touch of a button. This so that the convenience of a large keyhoard is of great importance to users. Larger machines are also more immune from theft since they would be mechanised as the same from the since they would be mechanised as the same functions, office calculators are designed for pressing keys and routine operation by people.

routine operation by people percentage is, without sophisticated computational skills.

However, as the price-to-performance ratio in micro-electronics is driven inexorably downwards, manufacturers have is that they have a printer and also tried to find ways of addaiso tried to find ways of addaiso tried to their husiness calculators ealther to their husiness calculators of the matrix impact type calculators without making or in the more expensive and them too complicated to operate. For this reason Olivetti the minter is a thermal printer. them too complicated to operate. faster machines, a thermal For this reason, Olivetti, the printer. It is often supplemented with a visual display in the of the calculator market, form of light-emitting display. costing more than £400 which to be, by calculator standards,

The distinguished feature of all desk top business calculators

Business machines also tend

business calculatora has easily recognisable ber that they are in constant use all day, tions, stabilised and, for the first time at the touch of a button. This so that the convenience of a The

ten times the price, partly because of the need to incorp-orate a printing unit. The cheapest machines with a printer attached start at £50 to £60 for a small portable machine. Prices then range upwards to more than £400 for

At the upper end of the Business calculators as such range, a hlurring is beginning are not usually programmable, to be seen of the distinction although businessmen do somedesk calculators and personal computers. Prices are calculating cash flow, stock con-already close, since the Com-trol figures and other functions. PET computer can be bought in its basic form for probably will become pro-little more than £500. However, grammable, much in the same although the PET is adaptable way as television games are

the more sophisticated desk top

one way similar to the more advanced scientific calculators since they both usually require However, the markets are very much different since the scienti-Compared with pocket calcu-lators which may have hasically greater flexibility and ability to the same functions, office calcu-programme rather than simplicity of operation and rugged-

ness.

The more expensive scientific calculators made by, for example, Hewlett Packard and Texas Instruments are indeed small computers and are being would have required a minicomputer.

Business calculators as such times use scientific machines for However, business machines to business purposes, its very programmable: that is, the user cated tasks.

sophistication would rule it out will not need to know anything as an everyday tool to replace about programming. He or she printing calculators is currently

in the next year or two, business calculators will indeed be difficult to distinguish ideologically from computers. The main difference will be that

in the jargon of the computer world—the machines will be "friendly." However as every computer manufacturer is also dedicated to the high ideal of friendliness, it may not he easy to tell the difference.

The ultimate in friendliness in a computing device is when you don't know it is a computer. That is, it should behave like a rather simple servant. responding to simple commands with alacrity and accuracy.

This is clearly the ideal fora business machine which is designed to sit on the desks of millions of clerks. The increasing complications of the technology will be used therefore to feign simplicity to the user while performing quite compli-

The total world market for four. the office calculator in banking, will simply plug in a pre-estimated at about 4m to 5m

THE MARKET for desk-top can turn a set of figures into a relatively hulky. This is because insurance and similar applications.

The market for desk-top can turn a set of figures into a relatively hulky. This is because insurance and similar applications.

The business calculators in the first time at the touch of a convenience of a stabilised and, for the first time at the touch of a convenience of a stabilised and, for the first time at the touch of a convenience of a stabilised and, for the first time at the touch of a convenience of a stabilised and, for the first time at the touch of a convenience of a stabilised and, for the first time at the touch of a convenience of a convenience of a stabilised and, for the first time at the touch of a convenience of a cent of all machines sold.

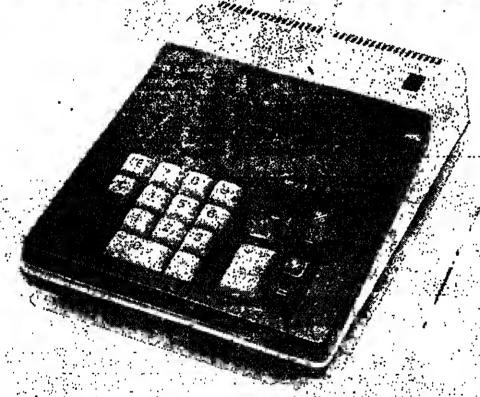
The second is probably Texas Instruments, although it is not particularly strong in this mar-ket in the UK. Then come Casio and Sharp of Japan whose production volume is almost identical.

Among machines, which account for about 10 per cent of the total market for printing calculators, Hewlett Packard is one of the leaders. However, Hewlett Packard has been turning its energies progressively up-market with a concentration on machines with a high comput-ing power and the capability to control and to accept direct input from other instruments.

In spite of dire predictions, the mass market for slim pocket calculators has scarcely dented business machine sales. It is clesr that pocket calculators have a quite different function, and now they are so cheap, people can afford to buy one casually, perhaps even three of

Max Wilkinson

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# Much greater scope for scientists

calculators, costing well over more expensive models. £1,000, had keys for a variety of commonly used mathematical functions, and could store and run programs with hundreds of steps and print the results of successive stages of their com-

As some of the manufacturers were used by many laboratories machines are very good, they and research departments to still cost less than £50.

The simplest of the program-They took over a whole range of jobs which otherwise would have required the use of a computer.

troduced the first pocket calculator, the HP-35, at a price of just over £200. Although it was not programmable and had only four memory locations, it had a set of mathematical function keys, similar to those of the large scientific calculators, so that it could do quite a wide selection of the calculations in their range.

### Breakthrough

At the time, it was an imporiant breakthrough and just what sclentists and engineers had hoped would come on the market. And it was soon followed hy improved models, manufactured both by Hewlett Packard itself and by rival companies such as Texas Instruments.

The explosive growth in the pocket calculator market since, as prices have dropped sharply and the range of models broad-ened, bas brought the simplest the four rules of arithmetic egtra facilities—down to under £5.

The cheapest calculators with

JUST OVER five years ago, the mathematical functions are calculators that were being used about £10, though scientific and for scientific and technical work research workers need to check were relatively large, occupying the accuracy of these functions one or two square feet of desk on individual models—they may top and costing several hundred be to only four or five signi-The more advanced of these usual eight, nine or 10 on the

There is a whole range of calculators that are not programmable by the user hut nevertheless have built in programs that provide facilities for numerical mathematics on some commonly-used simple types of provided fairly extensive pro- statistical analyses on others, gram libraries, these calculators Although some of these

The simplest of the programmore expensive, ranging from the very small Sinclair Camhridge, around £15, to rather more than £50; they can store In 1973, Hewlett Packard in- only small programs with a few dozen steps and these programs are wiped out when they are switched off. The Hewlett Packard HP-29C.

for about £90, is able to store programs while it is switched off, and the HP-19C, for about £130, bas this facility and also a small printer. Larger printers for pocket calculators cost about The more sophisticated pocket

programmable calculators, marketed by Hewlett Packard and Texas Instruments in the price range £150 to £250, have room for hundreds of program steps and/or dozens of memory loca-tiona (according to what use is made of the available storage), together with a facility for reading into the calculator programs stored on small magnetic cards.

This provides scope for using a whole range of library programs for mathematical statistical, scientific, engincering. economic and financial problems, as well as for storing programs developed by users. Thus most of the facilities, previously available on the earlier eneration of advanced scientific calculators, can now be used on

calculators. Like the earlier generation of

of some of my colleagues at remain the most appropriate University. College London, which confirms that there are several types of situation where they have advantages.

The prospects for the larger

Firstly, they are very compact

majority of computer systems. Thirdly, they are very useful whenever there is a demand for computations of a specific type, for which facilities or ready-

### Complicated

For example, using a Com-modore Statistician costing less than £50, I have been able to perform any of a wide variety of statistical analyses and statiswith the minimum of formality, requiring only the input of the data and the depression of a few special keys. that there are some time delays of up to shout a. minute while waiting for the answers, but the total time taken is still much less than that required to set up the calthen visit the computer centre.

A considerable number of

aomewhst mora complicated and extensive jobs can he done almost as conveniently, this time using one of the programmable pocket calculators together with library programs on magnetic cards. Fourthly, even when the user

has to prepare and set up his own program for a calculator, this can be more advantageous than using a computer, if he wants to apply this program repeatedly on many different occasions, sometimes at very short notice with a sudden requirement for almost immediate results.

Last but not least, calculators are usually bighly reliable pieces of equipment, not subject to the Inforiating, sometimes even disastrous, delays and hreakdowns which are liable to occur at university computer centres, even when computer terminals are available and

What developments and trends seem likely in the future? The predominant infinence is likely to be that of the personal computer, which has already made it feasible to perform complicated calcula-tions and data-processing tasks. at only a small fraction of the cost that was possible even a few years ago. This would be a useful picce of equipment for many working scientists because it can fit easily on to a desk top and save much time However. I do not foresee that

it will make a sudden inroad into the scientific calculator market; it is more likely that its effect will be to slow down the expansion of that market and make it somewhat more limiled than would otherwise be

Tile Commodure Pet Computer, priced from about £500

these pocket programmable upwards, is the cheapest per calculators, these newer cal-culators can perform a wide as expensive as scientific calcu-range of jobs and are a useful lators using magnetic program cards. This suggests that, for vices. This has been borne out the next year or two at least, by my own experience and that scientific pocket calculators will

programmable calculators of the and can he placed conveniently previous generation seem far to hand on a desk. Secondly, more doubtful, as they no longer more doubtful, as they no longer they allow very simple calculations to be performed very quickly, without any of the overheads of time and effort that are needed to 'access the calculators. computer will have increasing value, as compared with the programmable calculator, is its application to problems where ready-made programs are not made programs are already yet available, so that they have available on the calculator. to he provided by the user. Here, the advantage is decisive, as personal computers with the BASIC high-level programming language can be programmed much more easily and reliably than calculators.

A personal computer also has much more memory than, any tical distribution calculations pocket calculator, so that it can run programs that are much much more data. In many cases, its programs can be stored on floppy disks that cost only a few pounds each, yet can contain much larger programs than can be beld on magnetic cards.

The personal computer can also do work heyond the capaculations for a computer and hility of any calculator, for ex-then visit the computer centre, ample, in jobs requiring the handling of text and other nonnumeric data. This facility is more typical of commercial computing, hut it is becoming increasingly important in scientific and technical work too, as personal computers could produce verhal reports in conjunction with the results of calculations, and could also handle small data bases, information retrieval systems and personal information systems. In the longer run, personal

computers could be used for a variety of the scientific uses now well covered by programmable calculators, as a result of several trends.

### Grants

Personal computers will be-come steadily cheaper, and their price could drop to around £100 within five years. This fall could make them become easily available to scientific and technical staff because they could be bought with ordinary equipment grants, as pocket calculators are

Their programming languages will become more sophisticated, and the variety of ready-made software, dasigned for them, is rapidly expanding, and may soon include facilities where they could be used as if they were calculators.

So pocket calculators, calculators, sonal computers and could gradually merge into one continuous spectrum

Alan Mayne

The author is o Senior Research Fellow in the Department of Statistics and Computer Science, University

# THE NEW CASIO COLLEGE FX80. A VERY ADVANCED CALCULATOR FOR VERY ADVANCED STUDENTS.

Or anyone whose everyday problems are complex ones.

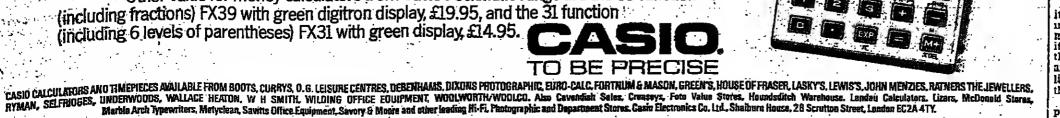
CASIO CALCULARDOS AND INDERWOODS, WALLACE HEATON, WHISMITH, WILDING OFFICE EQUIPMENT, WOOLWORTH-WOOLCO, Also Cavendish Sales, Cre

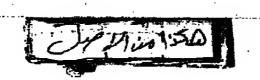
Marble Arch Typewriters, Metyclean, Savitts Office Equipment, Savory & Monre and other leading Hi-Fi. Photographic and De

The College FX80 has true algebraic logic; keys are operated in the same sequence as the written formula. It also has a large, easy-to-read liquid crystal display, 4,000 hour life from two penlight batteries, and auto switch-off after 7 minutes to preserve batteries.

The 39 functions include engineering notation, polar to rectangular and vice versa, sexagesimal conversions, factorials, auto standard deviation programme and parentheses to six levels besides the usual log and trig functions. All for £21.95.

Other value for money calculators from Casio's scientific range are the 39 function (including fractions) FX39 with green digitron display, £19.95, and the 31 function (including 6 levels of parentheses) FX31 with green display, £14.95.





# Educational aids have big potential

CALCULATORS AS games and the Speak and Spell, a £38 economy of stored data, which is teaching and educational aids— educational "toy" that has in why this toy has been produced applied to the synthesiser could in the opinion of many no less than the seeds of a at such a low price considering well be matched by a simplification observers—will be one area of revolution in teaching methods. What it can do. diversification for the calculator. In simple terms what it does industry that could prove to be is to say the letter when the a market of onormous potential. appropriate button is pressed. Yet its products would use It also presents a series of many of the basic techniques of words for the child to say and calculator manufacture and then repeats the series, giving

that of the digital multimeter wrong, the unit says so and where there is a great deal of goes on to give the correct competition, but also scope for miniaturising standard equip-ment to such a degree that the

end-products can be termed "pocket" or "personal."
Such is the versatility of the approaching maturity, manufac- cloak and dagger stuff. turers bave cast around for new. outlets. Hence the proliferation of hand-held and TV-linked games. But already there are 200 words will become avail-signs that the simplest and able. English speed synthecheapest of these have reached sisers are under development their peak of popularity and —as opposed to the mid-that games where a great deal American chip now used. more skill, or thought, is French and German units are demanded are growing in coming on, but no one will be popularity, even at prices surprised to learn that the hetween twice and five times German umlaut is a headache higher.

### Recipes

Such games would normally something about how speech be controlled by a read-only synthesis is achieved. Without memory chip (ROM). On the going into intricate detail, the borizon is the promise that mag-synthesiser chip or "Linear netic cassette drives working Predictive Encoder" is fed through a random access memories under the control of memory (RAM) will provide the micro-computer. This inbetter than a hundred times formation is, basically, what the more information to the display voice sounds like each 1/40th

This leads into an area of letter is being vocalised. The many new possibilities includenceder fills in the gaps and ing the provision of what one produces a sound at least as might call an "encyclopedia" acceptable as that from a of tapes providing recipes, train portable cassette unit. timetables, air schedules, firstaid instructions, etc. etc.

. But here and now we have the human voice with great ing period.

time for each word to be spelled Another area of endeavour and one chosen by the British saying each letter as it is company Sinclair as offering more scope than calculators, is tries, and if the second is also

spelling.

A third function is the presentation at random of a mystery word that the user bas to guess by trial and error— being given a fairly limited drive unit and storage chips number of tries. A fourth is an used that, with the base market encoding device which is purc

> Twenty-six letters and 400 this year, add-on units each of all nouns in the German lan-

guage is an even bigger one. It is essential bere to say with the game/educational toy with information from two of a second when a particular

The beauty of the develop-

Almost as crucial to this machine as its synthesiser is the large memory chip-indeed a 128,000 hit (hinary digit) readonly memory in full-scale pro-duction. It is hardly surprising that the company has half a brilliant idea.

The next move could be the construction of a translation unit with speech synthesis. This could be very useful provided it gave something more that much easier to carry out. than the straight word-for-word translotion as provided by the 1,200 word "electronic dictionary" launched by Lexicon. This could take the form of a limited degree of interaction between user and machine sa as to avoid the more glaring

mistakes of dictionary misuse. But while Speak and Spell offers a limited degree of interaction-and children are quick to feel that there is give and take-ability to respond to the spoken word, and to vocalise a word fed into the keyboard would transform it totally.

But how far are we from such a goal? Quite a long way It would appear, though several bundred EMI-Threshold voice recognition computers have heen sold and are operating in a number of industries.

For a machine to recognise meaning—and about 200 words and 120 concepts is about what is being achieved-is much more difficult than the synthesis of speech. It needs a mini-comnuter controller and a very complex decoder to do the job. At the same time, existing voice recognition can be trained only to one use and, even then, bas to take an average sound pat-tern from ten repetitions of ment is that it will reproduce word or phrase during the train-

However, the simplification applied to the synthesiser could though just when an engineer will have the reuired hrainwave is anyone's guess.

There is progress. Nippon Electric's DP100 speech recognition euipment bas a vocabulary of 120 words, recognises phrases dozen world patents on Speak and can he used by two and Spell, and that it plans for continued development of this brilliant idea.

In the meantime, the work done to develop the synthesiser is being applied elsewhere — to

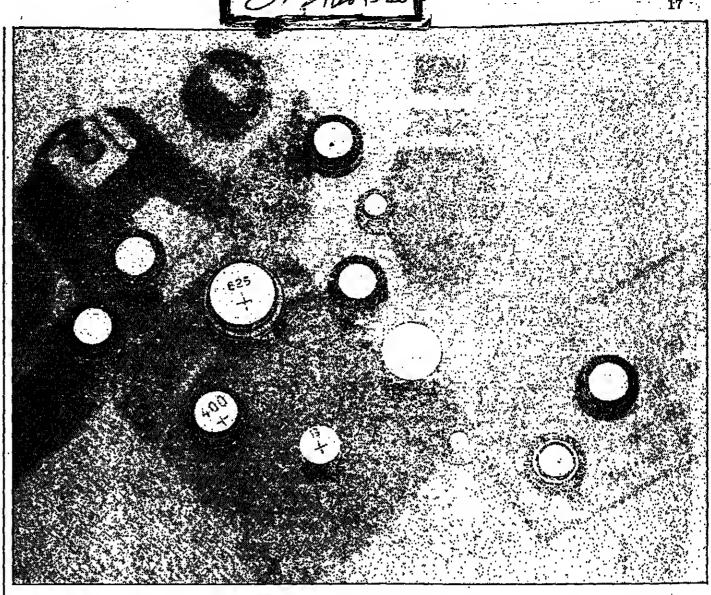
### Interested

That there is a ready market for educational euipment is underlined by the fact that the "Little Professor" introduced Texas Instruments three years ago saw its sales go up six times in 1978 and expectations that they will double again this year, though this is a much simpler unit than the spelling device. It is, bowever, pro grammed to teach a child the multiplication tables - some thing that too few primary school teachers are interested in doing at present.

Which brings us to the schools where manufacturers have found a ready market for simpler scientifics despite the lack of uniformity in the approach to the matter by the various examining boards.

Mcanwhile, equipment derived from calculators is steadily creeping up on the teaching profession at all levels. Properly handled it could mean a considerable reduction in the burden imposed on a frequently criticised section of the community as a consequence of the vast changes in the educational

Ted Schoeters



# Our Micro Power

As revolutionary developments take place, for example in the field of electronic microprocessors using silicon 'chips', a whole new generation of battery using devices, each with its own special portable energy requirement, is being produced.

The Berec Group, Europe's leader in portable energy, is already producing batteries to meet these requirements, and the advanced projects group is tasked to investigate applications and systems for the



# GCE exam boards differ over rules

AT MORNING prayers in the sive. Some boards which started culators should not be allowed of the unified 16-plus examinaschool examinations season, on the side of liberality are now candidates for Advanced-level becoming more restrictive. .GCE mathematics papers used in stand elbow to elhow with slide-rule cases jutting out of their pockets, looking like a posse of Western gunfighters. Numerically capable entrants even for the Ordinary-level exams could be seen sprouting rolled-up red-backed booklets of logarithmic and other func-

Those memories from the 1950s show that aids to calculation have long been allowed for relevant papers of the major national examinations. As they await the dread bour today, however, the numerate groups would look less like Western gunslingers than secret-service agents. Only slight or rather larger bulges of the pocket would hint at the bandiness and relative calibre of their electronic calculators

Yet, despite the increasing numbers of people who possess calculators these days, their use in major examinations is still subject to variances among the examining boards. Of these, there are eight administering the Advanced and the Ordinary levels of the General Certificate of Education, and 14 administering the "alternative 16-plus"the Certificate of Secondary Education - in England and

### Variations

There is another board for the Scottish Certificates of Educa-tion, with the Northern Ireland Schools Examination Council making up a round two dozen. Such a number of separate bodies, and so many possible punctilios about whether or not

calculators are allowable for this or that section of that or this paper, mean that the de-tailed variations in parmitted practice are probably, well, in-

Indeed, attempts to survey and clarify the variations are frequent—in the extent that examining board officials can be heard complaining about the number of questionnaires they receive. But none so far seems to have been conclusive. One reason may he that examiners' which a practices changa over time, and different not always towards the permis-

becoming more restrictive.

As a general rule, bowever, the different examining hodies' regulations appear to be shaped by two main principles. The first is that, since

calculators are not stocked by the education system for issue to every pupil taking relevant subjects, the examination papers must not offer any significant advantage to an electronically-equipped candidate over another using a sliderule or only mathematical tables. Or, at lower academic levels, over those possssing only pencil, scrap paper and memorised formulae.

Among examiners nathematically-hased papers in the more academically stringent tests, auch as the GCE A and O levels the typical belief seems to be that adequately fair chances for all can he achieved provided that papers are designed accordingly.

Some GCE Boards still insist, for instance, that candidates note on thair paper which kind of calculating aid bas been used. But the main safeguard of fairness at hoth A and O-level, is evidently the requirement that candidates must show not only their answer, but also the detailed workings by which they have reached it.

This attachment of greater importance to examinees' demonstration of scientific understanding than to their computational accuracy-which is by no means new-is thought calculators in CSE exams. to remove any significant advantage from candidates with ealculators. In some boards the depend-

ence of crucial marks on the showing of workings, such as how a standard deviation has been calculated, has persuaded the examiners to allow the use even of programmable calculators. And within the general principle of fairness to all, electronic aids have also extended piecemeal numbers such as 240 or 13—the into subjects like book-keeping standard voltage and strongest and the principles of accounts, and the numerate sections of economics and geography.

The second main principle policies is that the use of cal- and in the less academic levels

to cloak, and thereby tacitly to tion system which may replace encourage among school-children, weaknesses in the basic skills of numeracy.

Candidates in the apposite papers of the more academically directed 16-plus exam of GCE O-levels are still largely assumed to be able to add, subtract, multiply and divide in their heads, and even to know theirmultiplication tables at least as far as 10 times 10. But even in O-level papers calcula-tors can still be banned from aections dealing largely with basic skills.

Here, though, the trend is evidently towards flexibility. An example is the Joint Matriculation Board's three-paper test for GCE O-level in commercial maths. In the case of the most hasic of the three papers, schools can choose to submit their pupils either to a "strictly no calculators" version, or to another in which their use is allowed.

The main reason for the second version is that it permits the setting of questions of the type which actually occur in the commercial world. resultant realism is thought to induce greater "motivation" in children whose interests tend in directions other than the purely academic. And since such children are now less likely to be entered for O-levels than for the less scholarly General Election—indicates that 16-plus, the CSE, the pursuit of an alarming proportion of the motivational realism is an nation's 11-year-olds are bereft important infinence towards permitting increasing use of

# Reason

With the change to metrication, for example, there is no longer good practical reason for children to be taught to afford to offer teachers an multiply and divide in their easier alternative to the heads by numbers greater than drudgery of driving the foun-10. But in real-life aspects of dations of the third "R" into academic subjacts, such as elec- every tricity as part of physics, multi- young head.
plications or divisions by In the case numbers such as 240 or 13—the fase normal in British households—are still required.

Even so, there are strong opposing arguments that restricwhich appears to shape the tions in the use of calculators different examining hodies, should be maintained in CSE tions on the use of calculators

the present dual exams in the later 1980s.

One such argument springs from the general principle of a fairness. The GCE examiners may be convinced that the availability of fast electronic calculators may confer no significant advantage at the relatively high levels academic ability represented by entrants to Ordinary and Advanced levels.

### Evidence

But in CSE there is some evidence that, while the use or otherwise of calculators makes no important difference among the least able groups of examinees, the most able CSE candidates with calculators tend to do considerably better than those without them. So until the day when the education system can afford to provide electronic aids to children too poor to afford their own, as it already does with school meals, there is a need for caution on grounds of equity,

But an argument of at least equal importance arises from the principle of basic skills. A recent survey by the Government's Assessment of Performance Unit-which is not to be published until after the of even the most simple. fundamental skills of numeracy.

If this rot is to be stopped, as it surely must be now that the understanding of information presented in numbers is becoming increasingly important in adult life, no element of the examination system can marginally receptive

In the case of the CSE exams at least, therefore, the only sensible rule for the use of calcuand positive reason can be shown for permitting them, they should be relentlessly

Michael Dixon



The new Toshiba pocket calculators with liquid crystal display are more compact, slimmer and the display is easier

LC-853WA. Calculator, clock, calendar, stop-watch and alarm - all in one microthin, credit card sized model.

LC-850M. Super slim pocket calculator with clip. Fits into your pocket just like



LC-836MN. Electronic notebook with 30 alphanumerical memories, plus full calculator specification.

LC-830. All the calculating power you need in a pocket model - and at a price which won't hurt your pocket!

SLC-3300. Scientific calculator with . 39 functions, for the mathematician, engineer, medical technician, or any

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### **FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER

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# A modern aid to marine navigation

meter used in conjunction with the Nautical Almanac, and other nautical and sight reduction Today, the list should include the pocket calculator.

The development of the muitifunction calculator baa added another dimension to navigation for both large and small boats. Calculator technology increases in leaps and hounds and the gap hetween a calculator and a computer is ever decreasing. The former attitudes of seamen, both professional and amateur, are changing as the full capability, limitations and reliability of advanced scientific calculators become apparent.

By now, calculators should be much more popular with sea-men, especially yachtsmen, than they appear to be because they have such tremendons canability to assist navigators in their task. Calculators can perform many useful navigation tasks not only at the planning stages of a passage, but also during navigation at sea. And they provide a valuable check on the accuracy of conventional calculations.

The potential UK market is a large one aince there are 20,100 merchant and fishing vessela, and at least 120,000 yachts and motor cruisera of which 26,000 are known to be located in the coastal area between Chichester and Poole. are conservative estimates; nobody knows the exact numbers because not all craft are required to be registered.

There are 40,000 deck officera in the merchant marine, some of which are active in navigation. Additionally, there are at least 737,000 yachtsmen divided roughly loto 500,000 engaged in coastal cruising (Including motor cruisers): 200,000 racing in inshore waters: 20,000 in offshore cruising: 15,000 in offshore racing and 2.000 in powerboats and powerboat

Why has such a big market, in Britain and worldwide, been so slow to develop? What bas

Manufacturers have launched a never-ending stream of increasingly complex hardware which bandle almost any navigation problem with ease, but without taking full account of the experience, capability and type of operator. Tha majority look on a calculator simply as a tool to use without baving much interest in the way it works.

Manufacturers appear to miss (or ignore) the fact that the majority of seamen, whether pro-fessional or amateur, do not have the time, inclination or capability to produce their own navigation programs. They are not program writers but simply require fast accurate answers to their problems coupled with ease of use. This type of operator is by far and away the predominant

navigation software are Hewlett-Packard and Texas Instruments. Both are American companies which adopt U.S. navigation terminology and units of measurement which are not entirely suitable for the Euromarket. Software is designed by computer experts with little knowledge of navigation or understanding of users' requirements. The resulting programa are often too complex or inflexible for practical use. In other words, manufacturers require better advice on user requirements than they appear to be obtaining. Both these points require urgent rectifica-

### **Potential**

For example, Hewlett-Packard produces the HP67/97 calculators which are probably the best available for navigation today, but have a relatively poor Nav-Pac (program back-up), of little use to yachtsmen and only of limited value to professional eamen. In my opinion, the company has yet to recognise the market potential and appears somewhat complacent and unwilling to take action when software deficiencies\_are pointed out.

It is worth mentionlog that further 104 navigation programs submitted by HP67/97 users can be obtained from the HP Users' Club in Geneva to supplement the Nav-Pac. However, these programs vary in On the credit side. Howlett-Packard produces excelient owners' handbooks, has a support section to answer customer queries, and guarantecs spare parts or repairs for several years after production of a model has ceased. Texas Instruments has pro-

duced a more comprehensive and belanced Nav-Pac for its T153/59 model. It is strictly conventional, offers nothing new aod iacks original thought. Unfortunately, the programs do not do full justice to or exploit the full capability of the TI59 having been designed for the-corlier SR52. Texas has produced the best set of navigation programs so far and appears to have a better understanding of quarket requirements. The company listen to criticism and I only an ominous 21 per cent, have little doubt will incorpoand improvements to programs in the future.

In general terms, cheaper results to the more expensive machines, but with meny more
key operations, so increasing too much bomework, aimilarly the workload and the possibility of error. Calculators are best at solving the more complex navigation problems which would birthdays. Any manufacturer otherwise take a long time to who does that is assured of a work out conventionally or which perhaps would not be tions are around 50 per cent undertaken because of their accurate (like, say, the daily complexity. Sultable calculators weather forecasts). offering adequate program and memory capacity are limited in

built calculator with bullt-in programs. He must accept the limitations imposed as he cannot vary the programs or method of operation. In this case, he can do no better at the moment than buy the new Tamaya NC-77 costing about £!70 which requires little underranding of calculator operation. compled with speed and accuracy, make it a delight to use. Another specialised caculator is the Plath Navicomp, costing about £765, which is pro-

grammed for celestial navigaalmanac for the sun, moon, It has not been possible to valuate yet because the mannfacturers bave not provided stration model, but it appears to be extremely expensive for

For the more adventurous navigators, all selentific calcu-lators in the Hewlett-Packard range are particularly suited to r. They range from the simple HP33E costing \$50 to the ultimate for the professional navigator, the HP67 at about \$270 or the HP97 with print-out ensting £450. The HP29C model a valuable facility

program and data entered are retained when the calculator is

at £73 and the TI59 costing £184. These machines are the only ones to include Polar to Rectangular and degrees-minutes and seconds to decimal degree conversions, both of which I regard as essential for naviga-tion. Unfortunately, the PC100B print-unit cannot operate from a yacht's 12v DC power supply, thereby losing a valuable

### Knowledge

So what type of navigation y far and away the predominant solve—see.

The only manufacturers of lavigation software are Hewlett-packard and Texas Instruments.

So what type of manufacture solve—sepecially for yachtsmen. I say especially yachtsmen, because we don't all undertake navigation. tion as part of our day to day ware between old and new cal-routine, so lack of regular prac-culators may be more important tice or knowledge may prevent us from undertaking the more complex calculations.

Calculators such almost any required calculation ranging from simple coastal

fix without using the Nautical Almanac or other tables; world-

switched off.

Suitable calculators in the Texas Instruments scientific range are the non-programmable Ti51-3 costing £32, the programmable mable Ti57 costing £27, the Ti58 and the Ti59 costing £184. compass checks by sun azimuth without almanacs, to a variety of advanced aailing and tactics for rscing.

In summary, navigation aoft-ware seriously lags behind the capability of advanced calculators now available. The responsibility for the provision of the right type of programme to meet users' requirements lies squarely on the sboulders of the manufacturers, who will need to seek outside assistance to pro-

duce the right package. The assembly and production of navigation software is an expensive and time consuming process, so compatability of softin future. The user will have to pay substantially more for the right programs than be does at the present time. A large HP67/97 or TI59 can undertake and valuable world-wide market is waiting for the time when the

Nav-Pac matchea the capability

THE BASIC instruments for being the user's level of skill for yachtsmen — continuous navigation through to advanced of the modern calculator. This navigation used to be the compass, chart, aextant and chrono-ware.

This means both the celestial navigation from sight to would be of enormous benefit to would be of enormous benefit to seamen, and especially yachts-

Calculators, as a modern aid to navigation, merely reduce the time spent on tedious calcula-tions. They can assist both professionala and amateurs in a variety of navigation applications, but education of the user is also required for the yachtsman to obtain maximum benefit. Programmable calculators reduce the possibility of incorrect input by reducing the number of key operations. To buy unsuitable machines for the task

wastes both tima and money. Calculators will never replace navigation knowledge or techniques, nor will they make a good navigator of somaone who knowa nothing about the subject, but they do improve accuracy, take the drudgery out of navigation and awaken interest in the subject. They may also tempt users to try new calcula-tions which they might other-

### wise ignore. Basil D'Oliveira

The author, o pilot, works in the Flight Operations Inspectorate of the Civil Aviation Authority and is n leading consultant on the uses of calcu-

# Knack of finding right products

BIORHYTHMS are something that a number of influential people believe in just as some

For many years medical and gated the interaction for each each of which are believed to run in cycles of differing lengths—23, 28 and 33 days respectively. This poses a nice little mathematical problem of predicting when the owner will be at a peak or at a low ebb.

Calculators for biorhythms are selling at around the £30 mark. Many sportsmen now "little black box" to plan their training programmes, though, what they do when the black box says they will be at a low ebb on the day one or other Olympic Games final is held, is

open to conjecture. Interesting is the ability that several of these calculators bave, including those of the Kosmos series made in the U.S. to determine for two people bow compatible they are.

Applied to leading politicians read that the machine says Mrs. Thatcher and Mr. Callaghan are only 43 per cent compatible, Mrs. Thatcher and Mr. Murray Mr. Murray and Mr. Callaghan a thumping 100 per

But biorbythms are taken very seriously in Japan and calculators may give identical have heen studied extensively. by British Rail.

tu programme cheap machines fur each sign of the Zodiac. allowing for-variants dictated by good market provided predic-

However, like weather fore-casts, astrological prediction of number and unlikely to cost events tends to be unreliable iess than about 180.

The navigator wishing to solve most of the common navigation problems can use a purpose-rhythms are said to be.

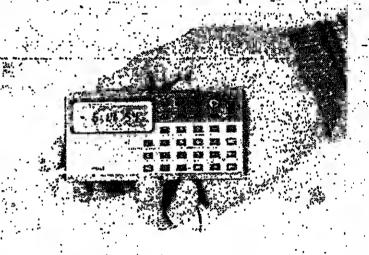
# **Trends**

Professional astrologers Increasingly use computers to forecast trends for clients, and compoters fed the correct birth data also are able to turn out a four or five thousand-word character analysis which is revealing to say the least. So advanced calculators with print out facilities—at the right price—could become popular, and perhaps more useful, than the Star Sign columns in news-

papers and magazines. Meanwhile, whot the business and industry user wants can be summerised under one heading

calculator buyers had expected. . I know of one instance where credit-card calculator col- tions. sbocks or any of the misadven- grammable machines. tures that could have caused

are more fragile than many



Intriguing new models which do more than calculate and tell the time include the Casio Mclody Card M-80 which will repeat a melody picked out on the keys

What many users of liquidit will come as no surprise to crystal display calculators do not appear to know is that the supplier, provided he has the back-up services that he should have ensured before beginning to trade, can replace a display in about five minutes—seven at the most. So display failure is not the end of the world, though it could be the end of a great friendship with a merchandiser.

Of course, a user wants a machine that will perform day in, day out without any problcms: don't we all? So it makes sense to huv equipment that does not rely entirely on repiaceable hatteries and can be mains-powered.

Where machines are constantly used under artificial lighting in offices, staff tend to prefer bright arrays which overcome the glare of fluorescent lights and, until a more clearly visible version of liquid crystal becomes available, makers would do well to bear this in

Some users have eye defects which make LED displays confusing to read-and Sinclair did not improve matters by putting a purple screen over its red LEDs io the Oxford series of machines.

So there is scope for another type of display, less rigid in layout ban liquid crystals and as bright as the popular green displays but absorbing only the tiny trickle of power that the liquid crystal takes.

### Commands

One extremely useful feature that many users would welcome, particularly those who need to operate programmable to operate programmable to operate programmable heading covers a multitude of machines, even infrequently, omissions and commissions by would be a "Heip!" or "Where the manufacturers. For in am I?" button. This could be stance, liquid-crystal displays made to have the machine recapitulate the last aeveral commanda, or perhapa the major headings in a series of computa-

> Falling this there is, of pared to put. course, the miniature printer,

now so reduced in size by st least one Japanese maker that is is almost small enough to form part of a true "pocket" calculator. There is no real reason, other perhaps than complexity, wby some form of solid-state driven thermal bead printer could not be incorporated into slide-rule machines, working possibly from a cassette of strips.

### Answer

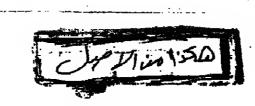
Many manufacturers would disagree that there is scope for the inclusion of a printer or hand-beld models. But watch any inquirer or businessman carrying out a calculating routine and nine timea out of ten be will need pencil and paper to follow the operation through, or at least jot down intermediate results.

Possibly the answer is the old one that electro-mechanical equipment cannot be made anything like as reliable as electronic units, and what dealer or maker wants a high incidence of repairs?

The final solution will be the advent of the small, flat diode screen, mentioned elsewhere, able to display much of, if not all, the steps in a sequence of work. How this amail acreen will dovetail with the driving keyboard and the remainder of the electronics will be a severe test of designers' ingenuity.
That, bowever, has not failed yet and within perhaps three to five years such equipment could be a commonplace.

It would be nice if the machines could he mado com-pletely modular to permit home repairs. But that is probably too much to hope for.

Finally, a plea that is often made but rarely listened to: Users would welcome aimple, written not by calculator experts but by people with ability who bay clean operating instructions lapsed because of the ingress Perhaps this could be recently been trained to use of air into the liquid-crystal provided by means of megnetic a machine. Far too many used not more than three times. similar to that employed to cither electronic gobbledegook Nor had it been subjected to drive the big Hewlett-Packard or in fractured English, up extremes of heat or cold, sharp and Texas Instrument pro- with which people are not pre-



# THE MANAGEMENT PAGE

Jason Crisp looks at the thorny problem of standard of living comparison, and finds managers are underpaid not over taxed

# Are British managers really worse off?

TAX HAS clearly been one of liable to the top tax rates which the central issues in the election prompt so much criticism. wealth tax, some at a fairly low chasing power. This may a campaign. Politicians are not so

has become the accepted wisdom for most people. The comparison and whether you hay from a is made with the managers' Consupermarket or a corner shop. is made with the managers' Con-tineotal colleague, who appears to be coiming it. And because the British manager is so hadly off, the argument goes, he is poorly motivated. But is be actually worsa off, and if so hy how much?

There is unfortunately only one certainty in comparing the relative economic power of variation i groups of people in different influenced countries—and that is it is a as prices. very crude comparisou indeed.

The measurement of differences in standards of living and purchasing power is most mexact because of a host of variables, many of which are impossible to measure anyway, As one management consultant specialising in executive remuneration puts it: "It's not a science at all-it's an art."

### Criticism .

One of the reasons that British managers appear to fare be its members. But there is a living "indices is a good guide so badly compared with other problem of applying this to to the lack of accuracy in intercountries is because such comusually differences in cost of living, in structures of earnings, For consistent pattern. The British Because the UK is a low-cost instance in the less advanced senior manager or chief execueconomy compared with the. rest of Europe and Japan, the British manager will be paid less—he does not need as much, ings are high while tax is low, and about on a par with his by exchange rate comparisons,

tax rates are of little value. Because British managers do not need to be paid as much as lings are high and also rise very to over 50 per cent better off in their European colleagues to steeply it is not so widely terms of purchasing power. The maintain a comparable standard recognised that a number of American and Spaniard appear

foolish as to exclude any potential voter from a promised lax cut, though they may bave very different views about which sector of society is particularly hard done by.

But this is only the begin. Netherlands and Switzerland, enough put it is not quite an ining of the problem in making west Germany too has a wealth it might seem to be. Take the Sweda with his surprisingly low purchasing power, let alone on't.

Sweda with his surprisingly low purchasing power due to the country's high wage-high cost of comparison of the relative living—and very high taxation.

The beautiful this is only the begin. Netherlands and Switzerland, enough put it is not quite an it is not quit hard done by.

It has been stated so often, by
So many, that managers are both
overtaxed and underpaid that it within a town depending on the

> Then there is the difference in spending patterns. An example is the Frenchman with wine on the table at every meal. If that element is counted in the cost of living of a Swede the cost of living of a Swede of the average chief executive he would look much worse off in a medium-sized company. -wine heing much costlier -unless account is taken of variation in spending patterns, influenced as much by culture

from having paid their taxes. An obvious example would be that in some European countries there is no need to make the U.S. costly insurance is

necessary. comparisons of managers' earn- national comparisons. ignore ings, because of the variation Western economies, like Spain, the differentials between top compared with more advanced to have the same purchasing and often more egalitarian. But compared with the UK Using the same cost of living power.

The same purchasing and often more egalitarian. But compared with the UK Using the same cost of living societies, like the Scandinavian the senior man in Germany, the adjustment to the Gross Domes-

countries. -Although it is well known Belgium, Italy and France used to adjust the senior manthat UK marginal rates on earn-appears to be anything from 15 agers' purchasing power means of living they do not become - European countries levy a to have almost double his pur- although somewhat erratic, does Britaio — exceeded only by sized

But this is only the begin. Netherlands and Switzerland.

countries, British manager with his and even equivalent in 13 other countries ading on the two organisations have prepared care and time put into shopping indices of his relative purchasing power. The first is by Management Centre Europe and is based on its survey Top Executive Remuneration 1979 which is shortly to be published. This gives (see illustration) an index of the purchasing power

### Better paid

s prices.

The second index is for the One could even consider the average sculor executive in the relative benefits people receive production, finance or marketing function in a medium-sized company (within the context of the country concerned) and was prepared by Inbucon/AIC, the separate provision for medical management consultants. The and dental care, whereas in two are not directly comparable hecause each organisation has ecessary. used different cost of living Another factor is the different adjustments. MCE have used strengths of the different seven indices adjusted to a economies. After all there is a single base, Inhucon has used certain logic in saying that the its own index which includes greater the strength of the the cost of housing. The varia-economy the hetter paid will tion in international "cost of problem of applying this to to the lack of accuracy in inter-

Both surveys show a broadly tive is apparently better off than his counterpart in Norway, management and average earn- Sweden. Finland and Ireland equivalent in Denmark.

Netherlands,

enough but it is not quite all it might seem to be. Take the suggest that Swedish managers are in poverty. One reason for that may be because interest nn all loans are tax allowable and therefore there is a considerable incentive for the Swede to borrow to the hilt and buy capital goods like a yacht, second car or country home. On the other hand the Swedish manager would he unlikely to afford so easily food or drinks which would more likely to be taken for granted in other

Throughout, the position of the Swede portrays the inevitable limitations of such comparisons. By many methods of comparison Sweden is one of the richest economies in the world. One of the most ohvious dis-tortions affecting the UK manager's position in the league is the non-financial element of the remuneration package - "perks" Again international comparisons are far from definitive but British managers appear to top the league - some experts esti-mate the senior manager's nonfinancial henefits could account for 30 per cent of his total remuneration. For instance, the company car is almost universal for senior managers in Britain, hut then it is common practice in France and Germany as well. Some remuneration experts are

are fas making fround on the UK as regards fringe henefits. Given that, bow does the UK managet's purchasing power relate to economic performance? Switzerland, tic Product per bead as was that a crude comparison can

saying that European countries

It shows a pattern which,

### HOW WE FARE IN THE TAX AND PAY LEAGUES PAY TAX PAY SENIOR EXECUTIVE. FINANCE, MARKETING OR PRODUCTION EQUIVALENT TO BRITISH EXECUTIVE EARNING £10,000 pa. CHIEF EXECUTIVE SPAIN 19% SPAN TH FRANCE 20% 172 183 ITALY 2 TTALY 153 SWITZERLAND 32% IRELAND 23,7 SWITZER! AND 47 FRANCE 33" US(West Coast) 237 W. GERMANY 551 29 W. GERMAN A 33 % 272 NETHERLANDS 143 23 3 117 36% W. GERMANY W, GERMANY TTALY 134 37% SWITZERLAND 102 DENMARK 28% DENMARK 100 39 Z NETHERLANDS (8 × 32 × 39 = US(New York) SE NETHERLANDS 337 NETHERLANDS IRELAND 3 96 41% BELGIUM 48% DENMARK IRELAND SWEDEN 3. 8 43:: 48. FINLAND 61 SWEDEN FINLAND FINLAND 82 48" DENMARK 55. NORWAY 60 FINLAND 512 NORWAY NORWAY SE Y SWEDEN

purchasing power, which is broadly in line with the country's position for cost adjusted GDP/head, where it falls tenth.

But the purchasing power of the Swedish and Norwegian managers does not reflert the comparative ecocomic performance of the two countries. Looking at GDP/head (cost adjusted) Sweden is at the top of the table, equal first with the U.S. and Switzerland, yet their managers have apparerally one of the lowest purchasing powers—reflecting the egali-tarian nature of Swedish society?

On the other hand Italy and Spain are among the lowest for GDP/head while their managers have a comparatively strong purchasing power.

### Taxman's cut

It is also noticeable that the percentage by which the pur-chasing power of other countries managers exceeds the UK is greater than that hy which GDP/head exceeds the UK—indicating that perhaps the British manager has a smaller share of the cake than others. The contrast, however, is nothing like as great as it is for Norway and Sweden.

Because of the very bigh marginal rates of taxation in

put the British manager Sweden-it is easy to assume greatly out of position—that is that the British manager takes nioth in the league table in home less of his pay than his equivalent overseas. This is true if you compare high levels of pay, but ignore actual differ-ences in pay for comparable jobs and the differences in pur-

chasing power. For example someone earn-ing £35,000 a year in the UK will only see about 40 per cent of it after the taxman has taken cent at this job level, his cut. Yet in France—where direct taxation is lowest of he countries being compared - the equivalent gross salary would be about 320,000 francs of which he would retain nearly 80 per cent.

This ignores several factors. First, most UK managers do not remotely represent this example -very few executives earn £35,000. When looking at the tax 'take' at the levels most managers are actually paid the picture is different. The second problem is that it is not comparing like with like as it is

Comparison by joh throws a completely different perspective ontothe amounts paid in tax and social security between countries. Take the senior executive in production, marketing or finance in a medium rather different. But that should r mance in a medium rather different. But that should Development Companie House, compani in the UK not draw from the fact that Street, London W1.

earning £9,500 shown in the

In the UK he retains fractionally less than 73 per cent of his gross income: a figure which is only bettered by France and Spain. All the other countries in this comparison took a greater percentage of gross income in tax and social security and the 14 country average net income is 63 per

### Muddy waters

of the lower levels of pay and of course the more important generalisations. One, straight element — purchasing power, salary or tax comparisons are But when identical purchasing power is compared the UK

tributions (72 per cent). An not taking into cacount substan-equivalent purchasing power in tial differences in cost of living, each country can be calculated from which gross income can be is underpald rather than over-found. Here we are comparing taxed although once the pay A fairer comparisoo is to from which gross income can be compare joh with joh or purchasing power with purchasing is paid by a person io each is paid by a person io each quickly accelerates country with an estimated in other countries. identical purchasing power.

identical purchasing power.

It should be pointed out that the £10,000 level in the UK gives one of the most favourable results, at £20,000 per annum the picture would be results. But that should be results different. But that should be represented by inducentation and living costs by inducentation.

\*\*Employment Remuneration, Management Remuneration, Management Centre Europe. Avenue des Arts 4, B-1040 Brussels, Beigium. Survey of Remuneration, Survey of Remuneration, Survey of Remuneration and Inducentation and Inducentation

£10,000 is a rather more typical salary for a manager than is £20,000.

Yet even if most British managers face no harsher taxation than do their colleagues in other Western countries it would appear that they feel they do. This might he because chief executives of the larger companies complain voriferously about high laxation—and at their levels of aniary £50,000 plus they are indeed taxed at a very high rate.

In these muddy waters of international comparisons few things are clear but it is probably safe to venture one or two almost meaningless without considering cost of living adjust-If you take a manager in the UK earning £10,000 a year his net income would be £7,234 after tax and social security. compensated to an extent hy higher fringe henefits. Three, if he is worse off it is because he element changes greatly so tax quickly accelerates faster than

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# Measuring the tax bite

BY NICHOLAS COLCHESTER

A LOT of stress has been laid have been subtracted to reduce upon tax cuts during this elec- taxable income in the first place. tion campeign. They are the beginning and end of the Toriea' virtuous circle: lower tax rates legd to more national income and more national income leads tollower tax rates.

in the Californian tax rebel-" laffer curve "-a graph of revenue in the shape of e parabolic arch. It was built up-wards from the two solid assumptions that a zero tax rate and a 100 per cent tax rate would both produce no tax revenue. It rose to an indefinable high point somewhere in

The curious thing is that the British heve only an approximate idea of how much tax their business leaders are paying. Certainly, punitive tax rates come into play at levela of texable income that look miserly when compared with those in other industrial countries. The outward trickle of show-husiness and business talent is proof that a better deal ia available else-where.

### Actual rate

But it would be most useful to know what actual rate of tax is paid by people in each income strata in this country. Such in-formation would not be derived from the tex assessment tables but from the inland Revenue's as the table implica. in four easy computer records. It would take the gross personal income of those days are now gone. cach tax payer, in a large repre-sentative sample, and show the tax percentage he paid after making use of all the tax dodges. sllowable deductions and deductible allowences normally deductions and available to a man of his weelth.

example of precisely whet I do a quiet life and the risk and not mean. Though it is hased effort required for more pay are some earthy instinct tells us that a particularly fat financial that businessmen earning more corrot is required to keep the than £100,000 a year take home comfortsbly installed Britisb rather more than 13 per cent businessman on the move. of their pey. The problem is

TV Radio

† Indicates programmes in black and white

BBC 1

A table of ganuine tax rates would do good in two contradictory ways. It would, first. reassure the aspiring but tiring executive that there is still something to go for. . I suspect that incessont discussion of penal tax lion this helief was embodied in rates, backed by the depressing official statistics presented hare, leave the businessman with the feeling that once he hae reached the £11,000 mark his further efforts are best directed into bome improvement.

On the other hand e true tax table would put top British salaries into an unchallengeshie perspective. It is clearly nonsense for the levellers to attack et fece value that extra £50,000 for the chairman which is revealed in the sunual report and accounts. It is equally futile to defand his rise by applying standard marginal rates of tax. A true tax table would discount the best that the chairman's City advisers could come up with, and show his net pay rise for what it might typically be.

Such official tax statistics ahould also give a rather more detailed breakdown in the sslary bands above the £12,000 level where, in the most recent statistics, they rapidly become so wide as to be useless. If the bounds from £12,000 to £100,000

### True picture

The number of taxpsyers involved here may still be relatively small but they are of disproportionate importance to The table below from the the economy. It is from here Revenue's 1977 statistics is an upwards that the battle between on a survey and not tax tables, fought out. And one suspects

Will the true tax picture ever that the pretax income in each be published? I fear not. For range is struck after allowable all its usefulness, my ideal table interest, capital alowances, pen-slon scheme payments and other become the definitive guide to allowable deductions — every-performance in the tax avoid-thing in short which would ance industry.

THE AUTHORISED VERSION

Income	•				
range		No. of	Income	. Tax	Average
		Incomes	total £m	, total £m.	tax rate %
8-10.000		143,000	7,262	. 413	. 33
7C-12,030		66,000	717	270	38
72-15,600		56,000	745	320	43
15-20,000		36,000	608	298	49 '
20-50,000		30,000	155	509	62
58-100 000		2,600	166	129	78
+000,000 +		500	75.1	65.6	87

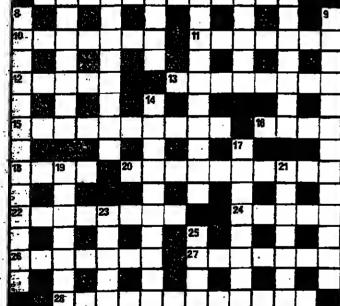
Figures derived from Inland Revenue Personal Income Survey 1974-75 School. 4.20 Halr Bear Bunch. 9.30 Campaign '79. 4.40 Think of e Number, 5.00 10.00 Sportsnight:

> Rentegbost. 5.35 The Perishers. 5.55 Nationwide (London and South-East only).

6.25 Nationwide. 6.55 The Wonderful World of

Disney. 7.40 Happy Ever After, 8.10 Accident. 9.38 a.m. Schools. 10.45 You and Me. 11.60 Schools, 12.40 pm News, 1.00 Pehble Mill, L45 Bod. 2.01-3.00 Schools, 3.55 Play 9.00 News.

F.T. CPOSSWORD PUZZLE No. 3.961



ACROSS I Sunburn gets royal family I'an the soup (5, 7) University man has no vote

oo Scots boy (7) II One quarter struck on day of festival (7) 12 Silky stuff yields a loud 18. Not a smashing way to serve

16 (10)

Hitton (4)

15 The famous Mr. Arkwright

21 Source of poetic Inspiration in Chile on reconstruction Day to close and send over-seas for attachment (10)

artist to return model (8) Runner between 10 and 11 stones on road (5)

26 Sweet flavouring grown by a Northern Ireland family Thariot could be in a stew

28 Riparian training exercise aringing financial panic (3, 2, 3, 4)

2 Disorderly transition from S. American city to U.S. (7) 3 Carts bed fitted with panel-

4 Wound part of Air Force (4)

5 Somatimes without magi-

6 Thorn brings book hack (5) The others had a meal in express again (7)

8 Trust hushand to become a swindler (10, 3) Exuberance caused by brutally strong drink (6, 7) 9 Exuberance 14 Unruly scene in part of 200

13. Not a smashing way to serve (4, 6)
12. Not a smashing way to serve (4, 6)
13. Not a smashing way to serve (4, 6)
14. Spare part that was the making of Eve (5, 3)
15. The small part of the control o near spring in good con- 19 Workshop consumed by recumbeol person (7)

> 5.00 am Ae Redio 2. 8.00 Dave Lee Travis. 2.00 Simon dates. 71.31 Paul Surnett. 2.00 pm Tony Blackburn. 4.51 Kid Jensan. 7.00 Redio 1 Mailbeg. 8.00 Andy Poebina. 9.50 Newsbeat. 10.00 John Peel (8). 12.09-5.00 am As Radio 2. 23 Pride oneself about writer 25 Keep quiel over exclamation by immer ruler (4)



# Alpine heights in NW8

THE NEXT few weeks in the and well-drained site. Food and chee hit British showe, that I will bush out, like the larger garden are dominated, for me, drainage saem to me to be the kept it indoors in a pot. Its relations among wallflowers and by alpine plants. European necessary conditions for plants flowers could be examined there reward you with flowers of a readers will smile at the British from alpine meedows and as closely as they deserved. Is vender blue which are not enthusiasm for one precious mountain faces. Almost all They are quite ethereal, lasting flashy. This plant, too, increases flower on a gentian while they alpine plants are fed too longer than a gloxinia or racog-themselves look out on meadows aparsely in capitally. Remember mised bouse-plant. But white seems to me to ha a cheerful of several thousand a month the cows and the rotted vegeta- fly took over and forced ma to addition to any small front leter. A contented gentian, like tion which stalk the upper risk it outdoors. It has garden, e hung Parliament, is something postures of alpine landscapes in flourished there after an un. The s which we fuss about, while nature.

cveryone else takes it for
granted. Yet the result is not

infortunete. It is possible to buy a far better-loved range of alpine plants, two inches high, in proper clay pots, from British nurseries than from any others in the world. The month of May is the best moment for outsiders to see the point of such an alpine nursery. On those rows of small clay pots in cold frames, there are at least a few flowers to guide you through the inscrutsble cushlon-plants and stone chippings. You might find something pretty which the conooisseurs have missed once

The rocks give good drainage to the plants and kudos to a certain sort of owner. A few special things have to be bedded aary to build a fragment of the grow any of the plants which I and June. would commend as excellent I was so

### **GARDENS TODAY**

BY ROBIN LANE FOX

hoochee. Porgive Its absurd name. It is an easy plant in a rich half-shaded soil. After two into the surrounding soil. They aprout roots at the points in their stems and can then ba cut off from the main plant and potted up in their own right. I am alming at a long run of this arrival, a smallish cousin of the as Erysimum Bowles variety.

The name alone will alert fact, it is at home enywhere, as an edging to roses, in a raised bed or along the top of dry walls.

So far, all my suggestions It is important to realise that into the surrounding soil. They you do not need a rock garden. aprout roots at the points in rise up to nina inches or eo and bear the most charming open flowers of a pale periwinkle

Like many others, I have up for 30 flowers or more this been awept away recently by the season. A lightly shaded, cool new small phlox called chattaplace seems to he to its taste. place seems to he to its taste. It has no weaknesses in winter. It has no weaknesses in winter. red, pretty but not spectacular. At 75p a plant, you can buy it It is one of those plants which from Ingwersens of Gravelye, are always useful. You can give from Ingwersens of Gravetye, East Grinstead, Sussex. One years I have turned one plant into a dozen by layering the running shoots and pressing them down with clips or stonas to beve come from the phlox

vertically between stone for the newish variety as an edging to winter munths, so that the rain a large flower hed. It stems plants are well worth a try, but would add, therefore, that will run off their act cushions of leaves. But it is not necession bear the most charming open to my notice. Its merit is the which multipliee freely from length of its season in flower, cuttings and flowers continu-

The same length of aeason promising start and is shaping. marks out several forms of the true wild geranium, not least the excellent ballerina. This is listed among rock plants, but belongs in any garden which can use a carpeting plant in open soil. It flowers with me from May to August end can be incressed at almost any season by pulling off the ends of shoots without flower buds and rooting tham as cuttings. The flowers are lilec, veined with It away with a clear conecience to visitors, knowing that it will rate it as the best garden-plant to beve come from the phlox it is feared as an alpine and family's alplne varieties.

Too often, it is feared as an alpine and avoided for being difficult. In

which multipliee freely from aary to build a fregment of the flowers of a pale periwinkie length of its season in hower, cuttings and howers community of the plants which I and June.

Would commend as excellent value to gardeners on any open plant, soon after chattahoo- plant for a dry wall where it lilac ie a fact about me, not

the colour itself. But Haslemere is a fine edging plant which you can fit in anywhere and trust to flourish. It is sold only in lists of rock plants, yet I cannot imagine that it needs rocks any more than the town from which

it takas its name. In May, then, I would advise any gardener to look into the best local alpine nurseries and follow his fancy even if be bas no stonee in his garden. Almost every atrong campanula, deep blue Gentiona septem fida, pinks of all kinds, those penstemone which have lasted the winter, thymes and many sun roses:

about the particular merits of the best garden plants go fer heyond coloors like lilac or lavender. You cannot do better than buy tham on sight from a nuraery which grows them in something bettar than those light peat composts which are patronised for quick salea by nurseries who live on quick turn-over. Those which would die quickly have dled already in our recent hard waather. For the rest, you can follow your eye, forget the rocks and reckon to buy a good garden plant, well able to flourish off a mountain. Alpines are mostly not plants for experts, still less

# Shangamuzo looks like best bet of the season so far

MICHAEL STOUTE, who sees tremely holding ground, may the 2,000 Guiness, in which he bave contributed to Buckskin's will be represented by 40-1 complete annihilation, subsechance, Hardgreen, as a wide-open affair—although conceding Shangamuzo would have won in that Kris " is the one sure to be there at the fluish "—looks to he Reappearing at York a short

Shangamuzo strikes me as the stand-out bet of the season to date in the Sagaro Stakes, and only a sudden deterioration in

# RACING

BY DARE WIGAN

the going should prevent Green-hill God from repaying each-way support in the Autobar Victoria Cup.

It was on the corresponding afternoon a year ago that Shan-gamuzo gained what many at the time considered to be : a fluke victory when slamming. Buckskin by a dozen lengths in his three subsequent appear-the initial running of the ances, ls basically a spring Sagaro. Although foot trouble had, apparently, allowed Peter Walwyn to give Buckskin only one piece of serious work before the Sagaro (previously the Paradise Stakes) and that dis-advantage coupled with -ex-

Boxing: Flyweight Cham-pionship of Europe.

11.25 The Sky at Night

Wales-6.10-5.35 pm Bilidow-car. 5.55-6.25 Wales Today, 6.55-

7.15 Heddiw. 7.15-7.40 Trem. 7.40-8.10 Stewart Tudor and Consins. 11.45 News and Weather

Northern Ireland-3.53-3.55 pm

Scene Around Six. 10.00-11.25 Sportsnight including soccer-

N. Ireland v. Bulgaria. 11.45 News and Weather for Northern

England-5.33-6.25 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle);

Midlands Today (Birmingham);

Points West (Bristol); South Today (Sonthamoton); Snot-light South-West (Plymouth).

BBC 2

10.20 Gharbar. 10.45 Parosi.

10.45 News.

RADIO 1 -

RADIO 2

11.60 Play School.

0.40-7.55 am Open University.

1.45-3.55 pm Racing from Ascot

at 2.00, 2.30, 3.05 and 3.40, 4.50 Onen University.

7.45 News.
7.55 The Genuine Article:
Investigation of fakes and

frauds. The Money Programme. 9.00 Snike Milligan in Q8. 9.30 Matilda's England.

Radio Wavelengths

(S) Atereophonic

#6.55 am Weather. 7.00 News. 7.05 10.3 Your Midweek Charge (S). 8.00 News. In.

. 3 1216kHz/247m

6.55 The Long Search.

Northern Ireland News. 5.55

for Wales.

Football:

11.45-11.50 Weather / Regional Rainbow. 12.30 The Cedar Tree.

News.
All regions as BBC-1 except at 1.30 Crown Court 2.00 After the following times:
Scotland—5.55-8.25 pm Reporting Scotland. 11.45 News and Weather for Scotland.

Weather for Scotland.

Scotland. 11.45 News and Ordinary, 5.15 Makin' It.

5.45 News.

9.25 Help!

10.00 News.

11.40 Family.

6.00 Thames At Six.

7.00 Don't Just Sit There. 7.30 Coronation Street. 8.90 Nurse of the National Final 1979.

ANGLIA. 1.25 pm Anglis News 2.00 House-party. 2.25 The Lovo Boat S.15 Winner Takes All. 2.00 About Anglis. 5.35 Crossroads, 11.40 Twist In The Tale. 12.35 The Rig Question followed by closs.

ATV

BORDER

GRAMPIAN

BBC Radio London: 1468kHz, 205m & 34,9vhf

Capital Radio: 1548kHz, 194m & \$5,84hf.

8.06 Your Midwest Choice [E]. 9.00
News. 9.05 This Wast's Composers:
The Court of Louis XIV (5). 10.05
Music for Ilrgen (5). 10.40 Song
Rectal (5]. 11.15 Midsey Concert (5)
Serilez, Strause. 12.00 In Short. 32.10
pm Concert (5) part 2: Devorse. 1,00
News. 7.05 Concert Nall (5) Oadgeon.
2.00 Ls Jeune Francs (5). 2.50 Franz
Schmidt (5). 5.10 Young Monic-Makita
(5) Pranc assizatt Haydn. 5.25 Hornesward Bound (5]. \$8.45 News. 8.50
Homesward Bound. 6.15 At Horne. 7.10
The Arts Worldwide. 7.30 Rozhdostwensky and the BBC SO (8): Schraker,
scrabin. 8.20 Hamdol's Donit Dominas
Cello and Plano: Vitnelary. Boils
Tchelkovsky (5). 10.36 Prix Future
73 (6): Play, 11.25 The 48"; A New
Approach. 11.35-12.00 News.

RADIO 4
6.00 cm Naws Sciefing, 6.10 Ferming, 8.70 Ferming Today. 8.25 Shipping foregast. 8.30 Today including 8.45 Player for the Day. 7.00, 8.00 Today's Naws; 7.30, 6.20 News bandimes; 7.45 Thought for the Day. 8.45 The Man and the Snake. 9.90 News. 9.05 The Living: World, 9.35 Tod've Sport Me For Other World, 6.35 Tod've Sport Me For Other World, 6.45 Story, 11.00 Listen in. 11.45 Listen With Mother. 12.00

RADIO 4

Yesr

complete annihilation, subse-

the trainer to follow at Ascot while after the Sagaro, Shan-this afternoon. distance short of his hest when going down to Smuggler in the 11 miles Yorkshire Cup. He again did well to finish second to the same borse in Sandown's Henry II Stakes, where I feel sure that the hard ground prevented him from gaining his

revenge.

followed in June by Shan-gamuzo's most important triumph of 1978 when Grevilla Starkey, making full use of the Klairon colt's almost hottomless stamina and courage, successfully employed "can me if you tactics at Royal Ascot In the belief that Shanga-muzo, who failed to score on

three racee were

horse and one who put up a better performance whan landing today's race than in the Gold Cup, anything short of a comfortable victory would sur-prise me. Nicholas Bill a gallant second, to Sofronoff

hy Beethoven: Amsdeus Quartet.

12.00 Rupert Bear. 12.10 pm

when trying to concede the Dunlop Colt over two stones in Rempton's Campbell - Gray Queen's Prize, ettempts two miles for the first time and looks to he the waswer for forecast purposes.

Nineteen are due to line up for the Autobar Victoria Cup, and bookmakers who a year ago bad things very much their own way with Private Lina's 25-1 success, will again be looking forwerd to the race with a fair amount of optimism.

This time, however, I believe that hackers will be on the mark for there are strong grounds for thinking that Greenhill God, hecked from 10-1 to 7-1 on Mon-day, will provide the answer. Just in need of the race when making his seasonal debut- in the one mile Playboy Bookmakers' Newbury Spring Cup in which he finished a close fifth behind Brian's Venture, Greenhill God should be ideally sulted hy both the return to seven furlongs and the course.

ASCOT 2.00-Lightning Record\* 2.30-Shangamuzo\*\*\* 3.05-Greenhill God\*\*

3.40-Weish Chanter 4.10-Polliform

4.40-Pledge

11.25 String Quartet Op. 135 date Farm. 6.00 Grompies Today. 6.35 hy Beethoven: the Crossroeds. 6.00 Election Special. 11.30

GRANADA 1.20 pm Cartoon, 2.00 Live from 2. 5.10 Captaln Neme. 5.15 Crossroads, 5.00 Granado Reports, 5.30 Give Us A Clue. 11.40 The Nature OI Things.

HTV

1.20 pm Recort West. 1.25 Report Weles. 5.20 Cressroade. 5.00 Report Wats. 6.15 Report Wate. 6.30 Emmordels Ferm. 11.40 Thestre Girls.
HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 Punawdou Newyddiom. 4.20-4.45 Rydw I AM Fod. 6.00-6.15 T Dydd. HTV West—As Dydd General Service except: 1.25-1.30 Report West. 2.15-5.30 Report West. SCOTTISH

1.25 pm News and Road and Wanther. 2.25 Family. S.15 Popeye. 5.20 Croseroads. S.00 Sculland Today. 6.30 Raport. 11.40 Late Cell. 11.45 Love Story. SOUTHERN

11.40 ramily.

12.35 am Close: A latter by Robin Scobey.

Reethoven read by Robin Scobey.

Scobey.

ANGIIA.

1.20 pm Southern News. 2.00 House.

1.20 pm Southern News. 2.00 House.

1.20 pm Southern News. 11.50 Pro Celebrity.

2.25 Love Boat. 5.15 Berty.

2.25 Crossroad. 5.00 Oay &v.

3.35 Scono Midwook. 11.40.

Southern News. 11.50 Pro Celebrity. TYNE TEES

S.25 The Good Ward. 1.20 pm North East News. 1.30 The New Andy Williams 6how. 5.15 Gembri. 5.00 Northern Life. 8.35 Crossroads. 11.40 Meuds. 12.10 pm Epilogue. ULSTER

1.20 pm ATV Newsdesk, 8.15 The Roll Heirie Show, S.00 ATV Today, S.35 Grasicede, 11.30 Sixty Incredible Years. 1.29 pm Lunchime. 2.25 Oave's Singalong. 2.55 The Unterned World. 4.18 Ulster News Headlines. 5.15 Certoon. 5.20 Croseroade. 6.00 Good Evening Ulster. 11.40 Wednesday Night. 11.45 Hogen's Heroes. 12.15 am Sadams. 1.20 pm Border Hows. 2.00 House-party. 5.15 Cambit. 6.00 Lookshoud. 8.35 Capacoada. 11.40 George Hamilton IV. 12.10 am Border Naws.

CHANNEL

1.18 pm Channel News, 2.25 Femily.
5.16 Emmeritale Ferm. 6.00 Channel Hews, 5.10 Ledles First, 6.35 Cross-roads, 11.40 George Hemitton IV. 12.10 am News and Weather in French.

CD A REPLY S.

GRAMPIAN

5.25 am First Thing 1.20 pm Grempien News. 2.50 First Act. 5.15 EmmarTake The Mick.

News. 12.02 pm You end Yours. 12.27
The Surkies Way (5). 12.56 Westher: programme news. 1.00 The World At One. 1.40 The Archert. 1.55 Shipping coresest. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.05 Thesire (3). 5.50 Chersi Stensong (5). 4.35 Slore Thrie. 5.00 FM News Medicine. 5.50 Algorithms 15.00 FM News. 5.00 News. 5.30 My Music (5). 7.00 News. 7.05 The Spring of Memory. (5). 5.45 Ode Degree Over. 8.30 Kaledoscope. 5.59 Westher: 10.00 The World Tonicht. 10.40 Room Europe Quer. 11.06 Sook At 86dtime. 11.20 Figure 11.06 Sook At 86dtime. 11.20 Figure 12.00 News.

BBC Radio London 5.00 am As Redio 2, 5.30 Rush Hour, 5.00 Vots For Mei 8,30 London Live. 12.63 pm Cail in. 2,02 205 Showcase. 4,03 Home Rum, 6,10 Look, Stap. Listes. 7.30 Black Londoners, 8,16 In Concert, 10.03 Late Night London. From 12.00 As Radio 2.

London Broadcasting AM Show, 18.00 Briss Hayes 1.00-E por LEC Records, with George Golg 8 to 3 pm. 8.00 After Eight. 8.00 Night-line. 1.00 am Hight Extre. Capital Radio

Capital Agully
S.00 am Grabam Dane's Sresklast
Show (5). 3.00 Michael Aspoi (5).
12.00 Have Cash (5). 3.00 pm Rocer
Scott (5). 7.00 London Today (5).
7.30 Adrion Low's Open Line (5).
8.00 Hicky Home (5): 11.00 Tony
Myatt's Late Show (5). 2.00 em
Duncan Johnson's Night Flight (5).

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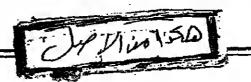
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See. 07093. WKS. 2.00. \$.00. 8.15.
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No.1 Stmon's CALIFORNIA SUITE (AA).
Sca. Peris. Div. doors porn 145, 4.45.
1785. AV cals Dible at hox office of the street law of the street l GOTTON MARBLE ARCH, WS. T23 2011-2. THIFF CAM GRIDAO IVI. Sep. progs. IN PAIRE OF OLDER WOMEN 18181.
Sea, peris, dalv (loc. Sun.) 3.10, 8.55.
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S. UCRO 1. 2 4. Orlore Circus, 437 3300.

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11.20. Salts bookable,
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Television

# Only the best for the children by CHRIS DUNKLEY

tain some of the highest emerged powerfully from standards on British television. BBC2's programme 25 Minutes Of course there are excep- Of Peace which recently tions. BBC1's new series What celebrated Ployschool's 15th Do You Watch limped off to an birthday using a series of clips, embarrassingly bad start with reminiscences, and interviews by different parts moving away in Barry Took. different directions on Friday. A collection of clips including sion with dozens of presenters, some of sport hut mostly from past and present, in the studio television game shows and laughing at and with their quizzes was followed by a series of questions entirely about sports. Moreover it was clear generations of Humpty Dumpty that most of the children in the studio, knocking whole sports. that most of the children in off walls and dealing on-air with the studio had only the faintest idea of what Toni Arthur and Paul Burden were driving at. (The supposed effects of television). The series can only

And there are a few programmes such as Cheggers Plays Pop (BBC1 again) which are busy turning Relthian philosophy upside down and seeing how far below the expectations of the viewers they can

generalisation remains true: that the bulk of children's programmes are consistently good. That has been noted several times in this column, starting long ago with praise for Playschool, Trump-ton, Camberwick Green and the like, and progressing over the years to admiration for Blue Peler. John Craven's Newsround, How and so on.

The reason for the progression is no doubt pretty easy to guess: where children's programmes are concerned the critic sees most of whatever bis own children happen to be watching, and since mine are now seven and nine years old they are still watching Blue Peter but have (virtually) given up Playschool and moved on to Kidnopped

our younger child now ask to at children can only be properly see any of the pre-school-age appreciated by adults. Mugic

indeed—for my colleague must also have heard, and found

wanting, recitals by Richter, Gilels, Serkin, Michelangeli, Arrau, Brendel, Cherkassky,

Barenboim, Ashkenazy, Pollini, Kempif and Rubinstein himself,

all of whom played in London

during those years.

Miss Tomsic is actually a

capable and gifted artist—though the reprinting (with

whatever kind of accuracy) of

such patently exaggerated com-

ment does ber more disservice

than credit. At her Wigmore

recital on Monday evening she chase to scale four major works

by Beethoven, Brahms, Debussy

and Chopin; and she acquitted

Wigmore Hall

It was a fond and funny occadisasters such as a do-it-vonrself model owl whose nose would not stick on. Three thoughts emerged from

the programme: first that Playschool must be unique among television series in that every thing about it is absolutely right for its audience, which no doubt explans wby 71 per cent of two- to four-year-olds watch regularly. Second, how odd it that Plnyschool should hold celebration without BBC2 also marking its 15th birthday as a channel. And third, how woefully under-exploited are the many talents of Derek Griffiths, one of the best presenters Playschool bas ever had. True be is also employed the theatre and elsewhere

on television, but not enough. Our children's abandonment of pre-school programmes has heen a hlow because the adults in the housebold used to gain great pleasure from them-particularly Arthur Lowe's superh readings of The Mister Men (so poor in book form)—and it is bard to switch off such material without the excuse of at least

one child to do it for.

Yet the remarkable thing is that television always seems to be running one or two series Only very occasionally does which although they are aimed material, usually Playschool, Roundabout is a good example: which I suspect she likes solely children have always (seemfor its comforting sense of ingly) liked the anthropomor-



David McCallum in "Kidnapped

### Elizabeth Hall

# Musica Antiqua, Cologne

Dubravka Tomsic's one-time even if her disregard for the teacher, Artur Ruhinstein, has non troppo marking of the called her "a perfect and marvellous planist," and the critic of The Times (according to her programme-note) described her Purcell Room recital in 1972 as "the best I've heard in this or any other hall for at least two years." If that is not least two years." If that is not the cresc-dim marking distasted baroque orchestra. Now the Italian pieces as some of the a complaint, it is high praise ful: certainly, she omitted it town has produced this most exclainly exploratory wherever it occurred in the first splendid coalition of musicians Capriccio of Brahm's op.116otherwise, like the other two Capriccios, splendidly muscular and well-made. She missed only the delicate autumnal balflights-the intimissimi sentiumbrella of the English Bach menti, shy and balting-of the Festival.

four Intermezzi, which are the beart, and more than half, of Her Debussy Estompes were intelligent and Quent: enormously well-bred and well-schooled, but perbaps just too schooled, but perbaps just too renaissance and the demonstracareful, too nicely-spoken to be gripping. I was glad to have stayed to the end, for much the strongest of ber performances, of Chopin's B minor sonata, came last: an opening allegro secure and sytlish, without any kind of affectation; a fluent scherzo and slow move-ment, both rather loosely focused; and a finale in which she came closer than anywhere

herself well-not sensationally, but well, without fright or hesitation, and with an admirable measure of good common sense. Her Beethoven Appassionata emerged on the whole clean, clear and commanding: the andante especially was refreshingly scrupulous and forthright, proud and firm, the very grand.

Dubravka Tomsic

by DOMINIC GILL.

Cologne is an outstanding distinctive way-bows dug deep European centre of early music: into the strings and then the Westdeutscher Rundfunk, bouncing jerkly into thin air, (two of whom are known to London audiences as former members of L'Ecole d'Orphée) which made its debut bere on Monday under the capacious

> The most satisfying part of their programme was devoted to early Italian haroque music. tive solo writing of the early baroque that we tend to overlook the fact that in the first years of the 17th century in pieces for three or four melody instruments and continuo which combined the imitative precision of the old canzona siyle with the brilliant freedom of newly - emergent idioms.

Musica Antiqua played three-violin-and-continuo pieces by Somely pretty concerto by Giovanni Gabrieli, Fontana, Robert Valentine.

Marini and Cima in a wbolly

In two recorder variation sets by Vao Eyck and a rather tire-somely pretty concerto by Robert Valentine.

NICHOLAS KENYON

which is based there, devotes a with light and colour, contrasted regular, large proportion of its with early still barmonic probroadcast output to pre-1750 gressions. Mannered, perhaps, music, and for some 25 years but with a decisiveness and conhas sponsored a pioneering viction that characterised these most excitingly exploratory works in all music, at the very beginning of the sonata's long life. Reinhard Goehel. Hajo Bass and Ingrid Seifert cach cultivated their individual voices, but matched precisely an ideal expression of unity in diversity. A pity that they did not diversify a little more by including some solo and duet pieces from this repertory.

They made that ponderous war-horse of string orchestras, the Pachelhei Conon (all too often a sort of Ravel's Bolero of the haroque, swelling to a huge climax) into a light and brilliant display piece; and brought a fiercely nervy strength to Pur-Italy there was a constant in cell's Fantaria: Three upon a termingling of these styles — Ground. Some of the music, particularly the Marini encore with its double echo, would bave specious acoustic: but the Elizabeth Hall caught well the sparksoloistic ling precision of Gudrun Hevens in two recorder variation sets

### Odeon Hammersmith/Rainbow

# Miller/Only Ones

by ANTONY THORNCROFT

furiating at the Hammersmith Ones are older, and the Lou Odeon on Sunday. After years Reed-Velvet Underground influof struggle he suddenly seemed ences, the first punks, of the to be breaking through, at least Andy Warhol period, are much in terms of record sales. But more apparent. instead of a confident, professional performance be was casually thrown off but stylish jaded and perhaps over tired. guitar solos of John Perry, who The years on the road, pushing his old fashioned brand of rhythm and blues, have taken not to stay completely impassive their toll.

There were still good things. "Ain't got no money" and "Brickyord Blues" are the kind scenery and fights an audience are lost, live but blending the thing to chew on, os in the up stage view The Only One are tempo numbers, it goes well. Miller's interpretations of con- of being stuck in the same dethis love?" are more interesting come into the commercially safe than anything else. But he has a inside. very attractive rough voice, and in a more intimate club atmos-

most super-stars off the planet. Frankie Miller bas waited years for reasonable success: it shouldn't take The Only Ones. EEC member states will be diswho packed the Rainbow on cussed at a three-day confer-Saturday, more than a few more ence on the EEC and the arts Saturday, more than a few more months. This was a different world - the new age of rock. ing from the first roller of the Cultural Unit,

FRANKIE MILLER was in- new wave. For a start The Only

looked good in Bud Flanagan's fur coat and only forgot once in the true axe hero tradition. It shouts at you through singer Peter Perrett, who flirts with glam rock and has the threatenof relaxed anarchic songs that ing, lived-in, voice so essential go with Miller's aggressive per- for success. Like most of the sonality. He is a wee Scot who new wave the first hour is best. drapes his national flag as and it's a pity the sharp lyrics with Billy Connelly helliger- smooth new alhum "Even ence. When his hand has some- Serpents Shine" with an on more than a class above the but there were longeurs, and other new bands, yet in danger temporaries' songs, like the pressive destructive, cul-de-sac.
Stones' "Let's spend the night it's bard to play for the young together" or Bob Markey's "Is outsiders of society and still outsiders of society and still

> A common cultural pelicy for opening at the Institute of Contemporary Arts oo May 11. Representing the EEC will he Robert Gregorie, head of the

quality phic nursery animal characters children will be (are) attracted lt is particularly disappointing active works such as Kidnapped.

from but presumably have not got full to the subject—two boys, a girl, to find a rare piece of English. It has been of great significance value from Eric Thompson's and a dog named Boot who is animation with a script so often marvellously philosophical voiced by Leonard Rossiter—but incomprehensible to children scripts. (And the open secret without such hope of following after all the American cartoons behind the series is that it is most of the verhal nuances. which suffer more predictably French, and Thompson's voice- Obviously children will revel in from precisely the same defect. nver narration often bears little the slapstick of Marlon's famous Apart from their presumed resemblance to the French 1-in ketchup sandwiches, but cheapness it is hard to under-original; be simply invented how many will understand "I stand wby the BBC continues to always knew I wasn't really a show so many of these rubbishy words for the actions.)

...BBC 1 has recently bought an english milord, an animated version of the Daily Mirror strip cartoon The my flabber!"

American series. One of the spokenly rude on television, and milord, American series. One of the spokenly rude on television, and more recent, Hclp, It's The Hoir has interchangeable beads, and Benr Buuch, is typically strident, my flabber!"

Message of fun. But then I have always defended the

> the 1940s may now he prohibitively expensive, but there is have not changed but have still good and bad animation and far 100 much of what the BBC shows is bad. It is bard

BBC has just finished repeating corners. Rehecca Of Sunnybrook Form In W on Sundays and has started

giving or have recently given us such new filmed series and serials as Kidnapped and The Boy Merlin (complete with real and impressive to find telemagic, most welcomel from vision preserving it. Further-HTV. The Famous Five and more my children enjoyed it Worzel Gummidge from enormously. Worzel Gummidge from Southern, and Dick Turpin which London Weekend brought filmed serials as much as they us from an Independent company. All five feature good strong child characters for child viewers to identify with, and all

five make extensive use of film. This is not something which children, or adults for that cerned. Kidnapped, for in- Bionic Woman and Life On stance, would be much less Earth, attractive without its filmed With not only this catholic exteriors and the scrupulous intake of electrooic material

been filmed on some particularly pretty locations and has gained enormously from it. Keith Waterhouse and Willis Hall who adapted Barbara Euphan Todd's original books have taken certain liberties with the text-Gummidge is rather more outwith no attempt at a three- then I have always defended the dimensional background and a right of television adaptors to mean minimum of moving line adapt, and the changes bere throughout.

Disney's technical standards of right for television.

managed to transfer highly sucthe utter lack of sentimentality as io so many other areas the which comes out in use as io so many other areas the which comes out in use as io so many other areas the which comes out in use as io so many other areas the which comes out in use as in the BBC's underlying problem is crow's sulks and insults. Producer/director James Hill is financial.

One has to assume this applies

Producer/director James Hill is
to be congratulated for not such also to the type of filmed adven-ture series and serials which our children have now moved on to, because the contrast between the productivity of ITV

uncle figure who appears in so
between the productivity of ITV

in this area and the relative in this area and the relative the third corner of a triangle inactivity of the BBC is with the children and some band becoming quite striking. The of hated adults at the other two

In Worzel Gummidge the children (played with a comrepeating Treasure Island. Last piete Mednesday they finished repeating Out Of Bounds and today (Coleman) inhabit their own they start a repeat of world, adults obviously inhabit another, and Gummidge with the compliant needs and likes inhabits a third, It is an unusually un-romantic and idiosyncratic concept and startling

In fact they now relish the used to enjoy Trumpton, andlike babies who bappily taste anything once, be it coal, rubber bands or caviare—are husy sampling anything else they can, from Crossroads to the Open University. Already matter, may notice consciously they are moving again on to while viewing, but there really series of such general appeal is no substitute for proper film as Some Mothers Do 'Are 'Em, work where such series are contract the World About Us, The

attention to period detail in sethut a good admixture of books,
tings such as the harbour, which
it is difficult to see these
was worthy of The Onedin Linc.
Nor does this apply exclusively to the more violently have always promised us.



jan Hunt

### **Players**

# The Story of Marie Lloyd

by B. A. YOUNG

musical from the life of Marie there is a cue for song, the Llord, and so have Ned Sherrin curtain lifts, and Miss Hunt does her stuff, or Norma Dunbar and Caryl Brahms; but with respect, they made the mistake of giving it' 100 much Geoffrey Brawn presides at the importance. The Players' pro- piano in the orchestra pit. There duction by Fred Stone has got it just right. This is not a full- characterisation or elaborate blooded musical. It is an routing occasion to see and hear Marie thing. Lloyd's songs (and some other people's songs, if my memory at as over the footlights withdoesn't deceive me) enjoyably sung by Jan Hunt, with enough of Maric Lloyd's life-story in the background to provide a narrative thread and a chance sang them. Now and then we to remember that her sisters get an opportunity to join in, Grace and Alice were also and the orogramme gives us tolerable players, not to the words; and because the mention ber second husband, atmosphera at the Piayers is so Alex Hurley.

The setting is virtually Lloyd's career, from the time when she began giving amateur shows in her own home until I ought to meotion that it is the moment when she collapsed necessary to be a member in

Dan Farson has devised a knocked about a bit." When as Alice, Loraine Hart as Grace, Norman Warwick as Alca. is little ettempt at deep routines. The songs are the

Because they are belied out out the intervention of microphones, we get a good idea of how they sounded when Miss Lloyd and her contemporaries uniquely friendly and relaxed, everyone does join in, even the standard Late Joys setting. Fred Press. (Or it may be because you Stone, in full Victorian fig. can take your drink to your narrates the events of Marie seal with you. The director is indestructible Reginald

on stage in the middle of "One order to get in. There can't be the ruins that Cromwell many better investments.

### **COMPANY NOTICES**

Published notification of rate of interest for second six months

### ARAB MALAYSIAN DEVELOPMENT BANK, **BERHAD**

U.S. \$20,000,000 Floating Rate Notes due 1983

For the six months April 12th, 1979 to October 12th, 1979 the notes will carry an interest rate of 111% per annum

Listed on the Luxembourg Stock Exchange

### KLEINWORT BENSON (JAPAN) FUND

Société Anonyme

37. rue Notre-Dame Luxembourg

R.C. Luxembourg No. B 8528

DIVIDEND NOTICE

NOTICE IS MERERY GIVEN that, pursuant to a respirition of the Annual General Meeting of Shareholdere held in And 1717, 1979, a sindend of USS 0.38 ISS cancer diler; has been declared payable as from May 1st, 1979, to holders of sheers outstanding on May 1st, 1979, seeinst currender of Coupon No. 8.

KREDIETBANK S.A. Luxembourgeoise 43. Boulevard Royal, Luxembourg KLEINWORT BENSON LTD., 29. Fen Church Street, Landon EC3P 3D5. KLEINWORT BENSON

NDTICE TO THE HOLDERS OF SONDS OF THE ISSUE 3-1%—
1975-1982 OF SUSSO,000,000—
MAGE BY THE EUROPEAN COAL
THE Commission of the European
Communities, amountes that the onnual instalment of bonds amounting to SUSZ.000,000— has been purchased for redemption on July 1, 1979. purchased for redemption on July 1979.
1979.
Ovistanding amount per 1/7/79:
SUS42.008.000.—
Previous relmbursements
Per 1/7/77: Nos. 6431 to 8430 incl.
Per 11/7/8: Nos. 6375 to 6430 and
1/4 per 1/4/8: Nos. 6375 to 6430 and
1/4 pent Finencier
1/4 pent Finencier BANQUE OF PARIS ET DES PAYS-BAS POUR LE GRAND-OUCHE DE LUXEMBOURG

FLECTRIC CO., LTD. (CDRs) The undersigned announces that the Annual Report for the year ended November 38th, 1978, of Tokyo Samo Electric Co., Ltd. will be aveilable in Luxembourg at:

Banque Genéralp du Luxembourg S.A. S.A. and further is Amsterdam at:
Algemene Bank Nederland N.V.,
Amsterdam-Rotterdam Bank N.V.,
Bank Mees & Hope NV,
Picrson, Heidring & Pierzoa N.V.,
Kas-Associetle N.V.,
Amsterdam, April 14th, 1979.
Amsterdam, April 14th, 1979.
Amsterdam, April 14th, 1979.
Amsterdam, April 14th, 1979.

TOKYO SANYO

LINREAD LIMITED ORDINARY SHARE CAPITAL
NOTICE IS HEREBY GIVEN that the
Ordinary Share Transfer Books of the
Company will be CLOSED from Salurday,
19 May to Friday. 25 May. 1979, both
dates Inclusive, her the preparation gi
dividend warrants.
By Order of the Board.
K. J. MORRIS, Secretary.

# BANCO DI ROMA INTERNATIONAL S.A. US SSO.000.000—1979/1987 FLOATING RATE NOTE ISSUE FLDATING RATE NOTE ISSUE Bondholders are hereby informed that rate applicable to the first six-months period of intorest terminating on October 26, 1979 has been feed at 10,500 No. 1 will be payable as room October 26, 1979 at a price of US 156.87 representing an interest of 1136.58 worked out on e basic of 1831580th covering the period from April 25, 1979 to October 25, 1979 inclusive. CREDIT LYONNAIS—LUXEMBOURG April 24, 1979.

ND71CE IS HEREBY GIVEN that the Annuel Genere! Meeting of The Thereis Suinhur and Cooper Company, Lithted will be held in the Hotel Lencaster. 7 rue de Eeril, 75 Paris 180, us Wednesday 23 May, 1979 at 12 soon for the following NUMBERS.

2. To 16-efect Directors. (Resolution No. 11
2. To 16-efect Directors.)
(Resolution Nos. 2-61
3. To reappoint the Auditors and to authorise the Directors to determine the remuneration of the Auditors. (Resolution No. 71
4. As special business to consider and il chought #1, pass the following resolution. A. A. Special business the following resolutions:
That this meeting horeby senctions and approves the transfer to Compania Española de Minas de Tharsis S.A.

1º Mipas de Tharsis "I. a wholly-owned aubsidiary of the Company, of the mining end industrial assets and relative habilities of the Company all as outlined in the Report of the Officeter's for the year ended 31st December. 1978 and authorises the Officeter's of the Company on behalf of the Company to enter islo. execute and do all such agreements, deeds, sets and things as may be required to give effect to such transfer.

By Order of the Board

Resolution No. 81

By Order of the Board

Resolution No. 81

Registered Office: 138 West George Street, Glasgow, G2 2HF. 1st May, 1979.

Glasgow. G2 2HF.

15t May. 1979. NDTES

7. Any Member of the Company entitled to attend and vote at the Annual General Meeting convened by the foregoing mutice is entitled to appoint one or more proxies to attend and, on a poll, vote on his behall. A proxy need not be a Member of the Company. To be effective, lorms of pray most be deposited at the Registered Office of the Company not less than 48 hours before the time copputated for the meeting.

2. Heiders of Share Warrants to Bearer who wish to be present at the meeting or vote by proty may obtain instructions from the Registered Office of the Company or from the Negistered Office of the Company or from the the total control of the company or from the control of the company or from the control of the control

Liszard Frères et Cic., 5 rue Pillet-Will, Paris.
Barreue Vormes et Commerciele de Peris S.A., 52 avenue Hoche, 75008 Paris.
Crédit Sutsio, Lausanne, 5witzerland.
Llovds Bank Letgijum) S.A., 2-4 rue Rovale, Brussels, Banque Genérale du Lunembourg S.A., 14 rue Aldringon, Luxembourg.

There are no contracts of service between the Directors and the Company et the date of this notice.

# COMPAGNIE FINANCIERS DE SUEZ Société Andrewe resistered in France with a capital of Fra. 273, 422.300 Registeres Onco: 1 ree d'astore, 75000 PARIS

GENERAL METINGS OF
SHAREHOLDERS
Mey 29, 1979

1. NOTICE IS HEREBY GIVEN thet, the
Annual Genorel Meeting pl sharelolders
of Compagnie Finenci, te se Suez will be
held at the Grand Auditprium to Palets
Acc Longis, Contro International te Peric,
Z. place de la Porte Maillot, 75817 Paris,
on Tuesday, Mey 29, 1979, at 2,300 p.m.
The egends will be as follows:
—Report of the Outcrass;
—Report of the Outcrass;
—Report of the Auditors:
—Reveluation of the amortisable and
non-emortisable based ossess willing
the iramework of the Acts of Octomber 29, 1978, and December 30,
1978 and December 31, 1977,
—Approved pl the transections and
the Accounts for the hunarital year
1978 and the Balance Sheet as at
December 31, 1978, etter revolustion;
—Allestion pl probits and fixing of

Detember 31, 1970, 110n; Allocation pl profits and fixing of the dividend:

enablination of the treasier, to the coocial reserve of long term gains, of an amount of Fix, 21,931-32-77. Irom the general reserve:

—Voie on the Special Report of the Auditors:
—Bedestion of the appointment of a Director made on a coregional basis by the Boarri:
—Discharge of those Oirectory whose rerme of other populations in 1928.
—Delegation of powers regarding compositions of the population of powers regarding compositions of the composition of powers regarding compositions of the composition of powers regarding compositions of the composition of the composition of powers regarding composition of the composi

### PERSONAL

Who will provide jobs for our Who will provide jobs for our disabled ex-Servicemen? Finding wark is haid enough. For disabled ex-Servicemen it's elmost impossible. The Legion browdes them with shelteriad employment, humes and other essentials. The annual Poppy Appel alone central pay for these Please send donations is: The Royal British Legion Appeals Oepartment, Maidstone, Kent ME20 7NX. C.F. CORPORATION

Woolley.

# POTICE TO HOLDERS OF EUROPEAN EO holders are Process informed that copins of the abnust report and consolidation of O.P. Corporation for the year cheek 30th November 1973 are now ablithed to the process of the Copins of the Process of the Copins of the Cop 2nd May 1979.

### THE GREAT MORTHEON TELEGRAPH COMPANY LILETTED OF DERMARK.

The Orders'y General Meeting will be held at The Exchange in Coomheen 15 achieve and 1970, et 3 p.m.
the 17th May, 1970, et 3 p.m.
1. Report of the Company's business during the oast year.
2. Presentation of the audited Accounts and Group Accounts Passing of the Profit and Loss Account end Salarie Sheel, and giving discharge to the Board of Directore and the Board of Management. 4. Proposal for distribution of profit for distributions of transcriptors of the property of t

The Pourd of Directors
THE GREAT NDRTHERN TELEGRAPH
COMPANY LIMITED, OF DENMARK

# MCLIDAY

ACCOMMODATION

MAJORCA, Mr. Polma, Adartments, own 000ls, 9erden, brach, 4-E capple, ficel Chibrer, Renz H. 275 own Also hights or drive. Mallerta Holiday Rentals, 7el: 01-343 2545.

# Auditorium, John Lewis ZarundZimmermann by ELIZABETH FORBES

Lorizing. Though Lorizing's behind them; some of the operas are only performed in this country now by enterprising The John Lewis performance, (who have previously given two of his works, The Poacher and

opera of 1954. text of Zar und Zimmermann, which was first produced at Van Bett coaches the sbipyard Leipzig in 1837, on a French workers in a captata of welcome drama, Le Bourgmestre de to the (wrong) Tsar Peter. The Surdam, this play had already Ernest been used as the basis for Orchestra, too, has been drilled Donizetti's Il borgomastro di Sourdam ten years before. The precision. story deals with the legendary episode in the life of Peter the artist makes the most of his Great when the Tsar was working in a Dutch shipyard. The plot is complicated by the presence of another Peter, also a Russian, who is in fact a from the National Opera Studio, deserter, but whom the Mayor is a charming Marie, the Mayor's of Saardam takes to be the dis-

j<sub>e</sub>gas i r

44

guised Tsar The music, always melodious and appropriate, occasionally blossoms into something more memorable than mere tunefulness. Van Bett the vain and obtuse Mayor, gets the lion's share of the hetter songs, but English Amhassador) and Alan the ensembles are equally deft. Patient (the Russian Ambassa post-punk but with a style and and well-written. An all-male dor) have less to do but manage musical skill so hiatantly misssextet in the second act, divided to establish their characters.

The John Lewis Music Society, into two sets of three conspiraever in search of an unknown, unusual or unplayed opera to present, has this year picked a finales of the three acts are winner—Zar und Zimmermann varied, vigorous and cheerful, (Tsar and Carpenter) by Albert with good dramatic justification

accieties such as John Lewis conducted by James Robertson, produced by Tom Hawkes and designed by Steven Gregory, is Undine), in Germany they keep most enjoyable. A splendid their popularity and their place shipyard, with a ship that actuin the repertory; Zar und ally sails, taking Peter the Zimmermann for instance, was Great back to Russia at the final the most frequently played curtain, is miraculously compressed onto the tiny stage. The Lortzing, who usually wrote chorus has a fierce attack than his own librettos, based the can he appreciated in the famous rehearsal scene where Read Symphony by Mr. Robertson into a naval

> Richard Robson, a guest comic opportunities as Van Bett. Clive Harre, another guest, sings firmly as Peter the Great (a baritone role). Susan Moore, from the National Opera Studio, fliratious niece. As the other Peter, who is madly in love with Marie, Brian Kevis acts the jealons suitor amusingly. Dennis Hooker, an elegant French Ambassdor, phrases his song in praise of the local girls with finesse. Michael Neill (the

phere can certainly still tock

They come through in the

### Conference on EEC and the arts

egrains: Finantimo, Landon PS4. Telex: \$36241/2, \$33897 Telephone: 01-245 5000

Wednesday May 2 1979

# Oil provides the means

THE CLEAR CHOICE of philo- mitted profits, as in the rising sopby offered by the two major flow of oil-based Government on Thursday promises important changes in the direction of our affairs if the Tories win decisively—an ontcome which can no longer be taken totally but not an unmixed one. On the fro granted. The Labour programme is largely a matter of carrying on as before; there is an unfinished agenda of inter-vention, planning and control.

However, while the parties pose the central question, they have largely evaded another: North Sea. Oil provides the means with which to maka chaoge less painful than it otherwise would be.

### Consequences

The international oil crisis, which looks likely to prove obstinate after the revolution in Iran and the cooling of relations between Saudi Arabia and the U.S., has two consequences for our future. In the world at large, it is likely to act as a brake on growth and trade. For the UK, it means that both the banefits and problems welling from the North Sea will be The threat of world recession

is becoming increasingly clear. In 1974 the U.S. was bappy to allow the international banking market to expand credit hugely to finance rising OPEC surplusea. The aim was to restore activity at bome. However, tho 1979 price rise—and there may well be a second round of increases—finds the U.S. atruggling with overbeating and rapidly rising inflation. The further tightening of monetary policy indicated by Mr. William Miller resterday underlines the change Administration'a

At the same time, the less inflationary and more competitive economies of Germany and Japan face renewed pressures on prices and the balance of payments, and are tightening elr own policies. World growth is already forecast to fall a full percentage point below earlier projections, and such trends resist it have a way of gathering force. Quite a

# Real value

The UK, however, is largely exempt from such pressures on its domestic economy. Selfsufficiency in oil underwrites the balance of payments, and contributes to the growth of demand pressures and bigh national income. It will also interest rates inhibit investment increasingly support the level of and change. The next govern-

revenue, which has hardly yet begun to accrue. The rising real value of oll increases the importance of these flows.

This is an enormous benefit credit side, it promises relatively painless financing of some Government objectives whether reducing taxes, reduc ing borrowing or increased speoding. It is also helping through the exchange rate, to check inflation. However, the North Sea also poses a chal-

lenge.
This challenge, commonly known as the Dutch disease. arisea from the fact that a rising exchange rate( or a stable rate with excessive wage increases) squeezes profits and reduces competitiveness: and from the fact that the North Sea is not inexhaustible. The twin challenge is to ensure that rising bome demand is not simply an importer's benefit; and that there is not an inverted crisis as North Sea supplies dwindle. The problem, in short, is not of demand, but of supply, both in the short and in the long term.

One factor remains on our aide: as a result of decadea of laggargdly performance, British bourly wages are so low by advanced-country standards that efficient enterprises can still hope to flourish bere. The forces of change, then, can work in our favour, as they could not if real incomes were high even by advanced standards.

### Intervention

While neither side has spelled out policies to meet these realities, the requirements are clear. First. oil must be treated to some capital, and used to finance appropriate replacement investment-in an energy programme. in lucome earning overseas assets or other productive domestic assets. Secondly, we need policies at home designed to facilitate change rather than

Quite apart from the question of State economic intervention, this has strong implications for housing policies to encourage mobility, for education and training, for helping rather than hindering efficient foreign enterprises, and for financial and fiscal policy: excessive pends not so much on the flow North Sea good fortune; it will of oil, so far largely absorbed bave the power to decide in developing the fields and re- whether we use or waste it.

# The challenge to Ecevit

ORDERING the 5m inhabitants further austerity measures in nf Instanbul to remain indoors for more than a day is a desperate measure—and one indi-cating the fears now prevelant among those ruling Turkey. In recent months these fears have risen sharply. Martial law has been introduced in 19 nf the country's 67 provinces, last week being extended to the Kurdish border areas in Turkey's south

The May Day march planned by DISK, the left-wing union confederation grouping most nnions in the private sector, was hanned. DISK's own leadership was arrested, as was that of a left-wing party which defied the han. Over 1,400 people have now been detained. And 340 death wy me prosecutor for those involved in the massacre last hardly viewed with favour by the military. In 1971 he was forced out of second out of

### Austerity

Few politicians would relish having to take such steps and for Mr. Bulent Ecevit, the Prime Minister, who campaigend on promises of democracy, the record is particularly sad. It is record is particularly yead. If is easy to cite examples of bis rhanges in position. Mr. Ecevit, in apposition, always spoke out strongly against the imposition of martial law—though at a line when admittedly condidf marual law—mongo at a lime whon, admittedly, conditions were less turbulent than they are now. Even allowing for thanged circumstances, the problem of credibility is there are the northways on this particular. and not only on this particular issue. Roth at bomo ond abroad, this problem is crucial.

The Cyperis problem rumbles nn.

Relations: with Athens are strained to the extent that strained to the extent that strained to the constraint of the constraint of the cyperist with the cyperist with the cyperist constraint of the cyperist constraint of the cyperist constraint of the cyperist constraint cyperists are as seen in that direction is not to slip from office in the same way as he gained it—
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through defections from one cal to provide any significant torture of the 1971-3 period but they are a step in that direction. And Mr. Ecevit now has to add to his search for an economic take between the two parties policy the prof that his "martial have now resumed. But the law with a human face" is not falks are bound to require yet a mere siogan.

conntry whose mood is already sullen. And the political killings still rage.

It is an easy situation for an opposition to exploit and the conservative leador, Mr. Suley-man Demirel, has not been slow to do ao. Hhas talked of Mr. Ecevit suffering the fate of Allende.

### Partisan

But however difficult the situatinn Mr. Ecevit faces It is not one for anybody to rejoice at. The left has seen the closing of its own organisations, including those built up to counter right-wing attacks from which a partisan police force failed to

tions of later years are largely responsible for Turkey's problems hnilding up to the magni-tude of today. The military are unlikely to intervene in his favour. Indeed there is some doubt about bow much they wish to intervene directly.

They burnt their fingers severely in the martial law period of 1971-73, only restoring their domestic prestige with the invasion of Cyprus in 1974. They are well aware that while Mr. Ecevit is having difficulty in obtaining aid from the West they would face twice the trouble.

### Martial law

However poorly Mr. Ecevit la In his 16 months in office Mr. However poorly Mr. Ecevit la performing, any alternative is greyit has few successes to show. Unlikely to be better. But if he was compared with Athens are same way as he makes in the

# Leaders ride shotgun on the campaign trail

IF THIS WERE o presidential supposed to be making contact. election, Mr. James Callaghan would now be assured of o second term of office. There is no doubt that he is the most popular politician in the country. According to Polisters, even one in eight Conservative voters would prefer him to Mrs. Margaret Thatcher as Prime Minister; two thirds of tho Liberals would opt for him.

Should Labour win-and Mr. Callaghan has throughout been convinced they will-it will be largely due to the respect and trust be has personally engendered. He is the party's greatest electoral asset; the man rather than the manifesto its surest vote-catchar In this

Yet the campaign be bas fought bas been a shrewdly hlended projection of both personality and policy.

"I will not be packaged like cornflakes," bo asserted deci-sively at the outset. So the campaign has consciously aometimes irritably—eschewed plastic novelties and salesmer's slogans. "I intend to be myself," he declared - not shaped like some cardboard cut-out figure for the TV. It bas been a campaign that

has come quietly to the crunch without any diverting snap. crackle and pop. Well, almost. No political leader can escape presentation as his party'a brand image. Mr. Callaghan'a tour has had to cater

for the insatiable appetites of

the cameras. One newspaper photographer alone has used five rolls of film a day; nearly 3.300 photographs in three weeks of which nine have been published. The demands of the television crews, battening on every move with cameras, aound booms and

With a sense of duty but also of dignity, Mr. Callaghan cut a birthday cake for them in Uxbridge, donned a garland of flowers in Isleworth, and was splashed at a swimming pool in Splott.

lamps, bave been even more

With mounting impatience, he was also aouashed in supermarkets, and crushed in committee rooms. "A quiet elec-tion?" be reflected. "It feels like being in a whirlwind."

It was not a feeling he liked: the cameras which ensured ho would be seen on millions of television screens cut him of from the voters and rarin workers with whom he was

"I don't need any more photo-graphs," he complained graphs," he complained in Cardiff last week." I would be glad if you would let me see my constituents in my own way." Apparently refreshed by the experience, be returned to a television studio that night to give a sparkling performance, reaponding to questions with vigour and good bumour.

For all his skill and success the medium, bowaver, Mr. Callaghan has not been seduced by it. It is the message that is important. His old-fashioned, of times almost purilanical, approach to the bustiogs in this election may serve as a salutary restraint to the growing in-flueoce of the admen in

"The voters don't want to aee you cuddling a calf," he counted. "They want to he sure you're not trying to sell them a pig in a poke." Mr. Callaghan set ont to convince the electorate that was exactly what they were being offered by the Tories.

Labour was fighting a crusade. ha declared on the first day. Twenty-four bours later the bad been struck from his vocabulary. It was too pretentious for what was es entially to a conservative campaign, a resistance movement. Nor did he fur ous darh up and down the country exactly recall the measured advance of mediaeval knights. Mr. Callaghan travelled by executive jet and the Labour Party's veteran Rover. Below and behind bim trailed a breathlasa Press, pitching temporary camp in hotel lounges for its daily ration of advance texts of speeches distributed from a p'aatic shopping bag.

At his aide was Mrs. Callaghan, smiling serenely through the scrummages, and the Special Branch detectives, eyes constantly scanning the crowds. Around him was a small support staff, headed by Derek Giadwin, a union official with years of experience in ordering the progress of Labour con-

Always ahead, in Liverpool, Cardiff, was another eager, security-checked audience inevitably infiltrated by "Troops caring and remarked as they chanted their protests and were ejected. Treat them more gently than

BLUSTERING late April one to doing an evening round of small which he speaks, are direct, un- able to the Prime Minister and made obvious. town meetings—the memorial emotional, slightly formal—Mrs. Thatcher, He has a distant, hall, Innerleithen; the school "Would the candidate say sprawling constituency which is gymnasium. Newtown St. Boswells; the Corn Exchange, Melweins, the condidate of the candidate of Roxburgh, Selkirk and for Rox

The candidate is bone-weary, and deall carefully with Fleet but patient, alert and astoundingly well briefed on lead on ingly well briefed on local and The schizophrenic national matters, flipping from between candidate and leader, a presbyterian distrust of easy only accepted by ois party with



they treat our soldiers in Ireland," he added to cheers. Only in Liverpool did he encounter genuine and angry heckliog from Dunlop's jobless. "You must bear your share of the responsibility," be told them

Surmounting the rigours of the schedule with pints of orange juice and early nights, ?ir. Ca'larhen hammers out tha same simple message. Jobs and prices are the main issues.

In Glasgow, in his first speech, be warned of the "deserts of memployment "that would result from the Tory withdrawal of government aid to industry. In that, and every other industrial area, he lists the local companies where government

He is genuinely and deeply concerned about the threat of a complete reversal of the postwar political trend away from industrial confrontation; he views il as a dangeroua aberration io what io his most slighling phrase he calls "the temporary Tory leadership."
While Mrs. Thatcher appeals

Labour moderates. Mr. Callaghan responds by invoking Disraeli's plea for one nation. From their low-key beginnings, his speeches bave gradually acquired a more abrasive edge; bot they are a plea for common-sense, no incitement to

"Has Labour lost its ideals?" Glasgow, Birmingham, Man-he demands. "No, no," he chester, Leicester, Huddersfield, replies. "This election is about the kind of society we want for the 1930s; whether it will be compassionate out of Ireland" demonstrators, society, one nation, undivided."
"It's part of the routine," he But the evangelism has been muted amid the economics.

another with his local MP and statesman, has

and mimic his gestures, giggling Club, off Whitehall, he had furiously over their own squinted into the TV lights at split slightly formal, and in narricular cult corner to fight, and was

Margaret Thatcher, as Britain's first potential woman Prime Minister, would be "the newspaper story of the campaign." They also acknowledged that there was no way for her to compete with Mr. Callaghan as an easily bored with elections. A good photograph or better still a shot on television, they felt, was worth 1,000 words.

So, in the first week of the campaign, Mrs. Thatcher was packaged for the benefit of the camera men and caption writers to a degree unprecedented in British polltics. In pursuit of the keys to No. 10, she was pholographed in a series of situationa which daily grew more bizarre.

# 'All part of the job'

According to her busband. Denis, aha regarded it as "all part of the job." She certainly approached it all with daunting efficiency although at the end of it all ber'image in the country at large bas probably not changed much. She remains ao essentially middle class woman with a remarkable sense of purpose. What may have come across more strongly during the campaign is the passion of what ahe describes as her vision of bow society should be changed, and ber personal conviction that there is room for compassion within the Conservative Party.

With her party well in the lead in the opinion polls; Mrs. Thatcher was beld in reserve for almost a week after Mr. Callaghan had slarted campaigning. When she firally made her appearance the central idea still seemed to be to play it cool, ratioo her speeches, and go for the middle ground. Apart from the eightly speeches set-ting out the broad outlines of Tory policy, the events of the first week seemed designed to put forward Mrs. Thatcher as a warm person, genuinely the final party political interested in people, rather than cast when the soft, the hard faced woman of steel passionate side of which Labour accuses ber of being.

Phi ip Rawstorne Thatcher and her retinue of 100 sharply

evening in the Scottish Borders. audiences. His audiences, large been particularly cruel for Mr. speches, his preference for The constituency candidate is for the size of the towns in Steel. He lacks the staff avail- rational almost tidy politics is The central test of his the Corn Exchange, Mel- 1 the candidate a party which makes local comparty by leader—will not start as a and electorally modest. Its party leader—will not start as a side of this first as a side of this side of this first

which slowly comes into focus when witnessing Mr. Sieel's balance of power and lo grinding tour of the country. He partakes of the psycbology of those he represents—rational, has the most seats. It is a difficulty of the country of the country of the country has the most seats. It is a difficulty formal and in particular.

THE TORY strategists knew or so reporters trooped around from the start that Mrs. bospitals, trampled across Margaret Thatcher, as Britain's muddy fielda, and practically blockaded abopping precincts in marginal constituencies.

Observad at close quarters, Mrs. Thatcher is an impressive campaigner. She has a remark-able ability to creale ao atmosphere of intimacy with whoever elder statesman, and that the she is talking despite the bar-British electorate can become rage of ever-present camaras. easily bored with elections. A On the other hand during ber walkahouts, even some bardened Labour supporters reacted to her as If she was the Queen. Wherever she weot, there were cries of "oh she touched me" and "isn't she beautiful."

Because all her big rallies were ticket-only affairs, it was difficult to gauge how ber speeches might have gone down wilh a wider cross aection of people. The party workers seemed to thick she was people. wonderful although she continued to deliver her mejor speeches in the mannar of a overbearing beadslightly mistress, enunciating every syllable as if it were ber last.

They loved it wheo she described herself as a politician of "conviction" and when she protested that in Britain there was a "lot to react against."

Occasionally, as a mark of her confidence, she would depart from her script and it was then that glimpses of real flesh and blood could be seen beneath the normally cool, ladylike facade. It is when she is talking without a script that some of her advisers hecame nervous. They acknowledge that Labour is right in believing she is capable of making a sudden goffe and that she can still sound like a stereotyped mother-in-law when hammering home a point-though comoared wilb three years ago ber voice is, at most times, honeyed.

Generally she showed herself to be formidably well disciplined and efficient throughout the campaign though at times she anneared to forget that she was going for volers who were nol Conservatives at the last election. She made very few concessions to the fact that she is a woman and did not really acknowledge it as an issue until the final party political broad-Thatcher was again to the fore.

In the second week, the form of her campaign changed to concentrate



policies. At no point did she deviate from the Party manifeslo but ahe did develop somo of her original arguments to put more emphasis on tradi-tional Tory issues like law and order, defeoce, and-after sbo bad been attacked by the trade unions-union reform, and, no course, taxation. Her approach emed to become slightly mora fundamentalist as she explained her vision of a society in which initiative is rewarded and there is freedom under the law. Memories of past Tory leaders like Mr. Harold Macmillan aod Wioston Churchill increasing invoked with frequency.

# Criticisms of Tory policy

The concentration on policies in the second work was. ohviously planned. What Ceotral Office probably did not expect was that she would have to spend so much time rebutting Labour's criticisms of Tory policies—particularly of her main plank of income tax cuta. As the week wenl on, ber confidence began to lessen and on Friday she allowed ber irritation with a journalist to show through at a televised Press conference.

For a moment it seemed as if Labour—and the opinion polls—had got under her skin. But she obviously took a deep, well-disciplined breath on Saturday; on Sunday she was back looking as cool and collected as ever at the rally trade unionists.

### Elmor Goodman

And again, in his trepldation. It depends heavily oo gains in the Liberal/ Conservative and Liberal/ Labour marginals where Mr. Steel has concentrated his fire.

John Lloyd

### Paying for Eric's last stand

years ago in commissioning a new stand. Built by Robert Mcnew stand. Built by Robert Mc-Alpine, the stand cost £273,857. With interest, the debt has now spiralled to £400,000, and Mc-Alpines earlier last month assigned the debt without warn-ing to a little-koown organisa-tion called Financial and General Securities. Since then this company has aiready rejected one offer to repay the deht, plus part of the interest, over period of years.

At the same time, its deadlines for payment have so far passed without consequence. Even in the colnurful world of football club finances, this is an odd state of affairs. Not surprisingly, it is being suggested that McAlpine's ia, despite appearances, still intent
on gaining control of the club.
Fulham's financial director
Brian Dalton tells me that some
four months ago bo received
a letter from director Malcolm McAlpine, saying that the firm wanted a stake in "the future miracle of Fulham" in return for the interest on the debt.

"Of course we said no."

Dalton says. "A debenture holder can put in a receiver to the public.

Hoare Govett as a private client Ooc British newspaper last adviser to prepare the 16th week weet so far wrong as to century mansion to be opened declare that the U.S. was ordering British nuclear plants to for the interest on the debt. "Of course we said no." Dalton says. "A debenture manager and run the club him-self." The assignment of the debt, be thinks, may be merely "a cover" for McAlpine's ulti-mate intentions.

Fulham'a present chairman, the atrident Ernie Clay, is even less reticent about McAlpine's behaviour over the Eric Miller Stand. (Clay himself renemed It thus after the 1977 solcide of his friend Sir Eric. a club director and at that time chair-man of Peachey Properties. "For me," be says, "Miller is still a good name.")

wanted." He claims that the con- drily. struction company had ulterior motives in building the stand Wilcox.

# clearly "clapped nut" and in no position to pay for it: "There

Yot another deadline bas just in the salad."

Passed for Fulham Foothall Clinb to pay the £400,000 it now mwes for its act of hubris seven of the Eric Miller Stand; therefore, it bas not been possible to put these or other more exotic suggestions to it. I was told yesterday that "nn one at all " could comment.

One of the few cines to the company's attitude is that the debt was assigned on the strict and well-publicised understanding that "soccer will continue to be played at Craven Cottage."

### Hampden's court

With an address like Glynde Place, stockbroker Lord Hampden ought to be an opera enthusiast. But he rarely goes next door to Glyndebourne.
"Ton expensive." hesays, "Anyway. I'm not terribly interested." Humpden is more pre-occupied with hew many visitors to the npera he may be able to lure into his house. He says proudly that 250 people came at Easter, paying 80p a time. This was the first fruit of 18 months work, during which he gave up his position at

Nnw he has returned to stockbroking. Does be think there wil ever be enough 80p's rolling in to allow him to give up the City? "I very much doubt lt," he says resignedly.

### Failout trouble

The headline in one of London's evening papers said yesterday: "British firm sued for £800m." But Sir John King, chairman of the company named in the a good name.")

Clay asserts: "I have always aplomb when I told him about known the price that McAlpine'a lt. "It doesn't matter," he said wanted "He element to the content of the conten rily, "We've only got £350m." a subsidie Kmg is head of Babcock and McDermott. currently enduring



Ladbrokes'

much vexation through a bad case of mistakeo identity. An name—but totally unconnected with Britain's B and W-built the ill-starred nuclear plant at Three Mile Island, Pennsylvania.

King says: "Everyme's coo-fused—locluding hankars and brokers. I even had a call from Washington, sympathising with us for being in such trouble." stop operating.

The British B and W put out a statement yesterday relter-ating that it is unrelated to its American namesake and has not supplied any parts to the nuclear power stations.

Of course, there was a common origin. At the turn of the century, the original B and W in the U.S. sold all nverseas rights in its boiler-moking technology for fim. From that grew companies to eight countries. Three years ago the American firm disposed of its 23 per cent stake in its offspring here. It is itself now a subsidiary of J. Ray

Well before the Three Mile

Island disaster King and his board had decided on a change of name to Babcock International. This provoked some protests from nostalgic shareolders. But in the light of wbat has happened since, I doubt that there will be any opposition to the proposat at the annual general meeting later this montb.

### Western face

Having proved themselves superb designers of consumer electronics products and able managers of British workpeople, the Japanese are new having to tackle the challenge of the British industrial establishment and its attendant bureaueracies. Sony, which started manufac-

turing televisioo sets in Wales, cannily appointed as a senior executive an ex-Philips man who knew his way around the civil scrylee, and bad planty of phone numbers not to the ordinary direct ry. They followed יות with the appor ז'nt יחו of a Brilish managing d rector. Now Panason e, the Matsu

shita subsidiary which also makes television sets in Wales, has followed the same path by appointing a former GEC execu tive, Brian Reilly, as chairman Reilly's career in GEC dates from 1860 wheo he joined Radio and Allied, then being ruo hy a not yet famous Arnold Wein-stock. Reilly, 54, hopes to pilot Panasonic into the safe harhour of the British Radio Equipment Manufacturers' Association (BREMA). His role, be says. will have its "ambassadorial" side, No doubt he will e put according to the message that Programme (UK) feels much of home he

### imal though . Outside a North London employment centre I noticed a topical piece of graffito: "Fight

for the right to pretende to

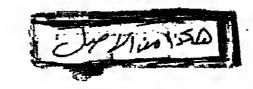
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Tclgpbpge



BY PHILIP BOWRING in Hong Kong

GAPS ARE widening in the assembly of Ford and Mitsubishi bamboo curtain dividing frenetic capitalist Hong Kong from a rural but decreasingly Darby. socialist China. The modernising, outward looking policies says, no fewer than 100 factories adopted in China have created adopted in China have created put up by foreign and Hong euphoria in Hong Kong, both Kong capital should be operated business ing. No one suggests that China opportunities opportunities and long term stability for the colony. But these henish breezes may not be entirely to the benefit of Hong In the long run they could be the beginning of the hard currency earnings from

obvious enough. A pragmatic ing trade, investment and technical recognising Hong Kong's nology flows into China. The value will have even less mass of the people in Hong interest than had Mao's China Kong want to maximise their in changing the city's status personal incomes and their The shadow of 1998, the year opportunities for advancement. after the lease on Hong Kong's New Territories will in theory to maximise profits or turnover. These separate interests have Governor, Str Murray Maclehose, has even been received as a visitor in Peking, where he met Deng Xiaoping bimself, Businessmen in Hong Kong, local and foreign, are fatling over themselves to exploit the new opportunities for trade. investment and provision of services.

But on second thoughts been bermetically sealed. There has always been movement of goods and people. But in the past both sides recognised that their systems were so different that objectives and interests were clear cut.

Two current news stories illustrate the changed situation. A massive inflow of migrants. legal and illegal, from China, and the development of joint venture industries across the horder in Shenzen (Shumchun)

trucks by Chlna Engineers, the Hong Kong subsidiary of Sime

By the end of this year, China wants to follow policies designed to damage the interests of Hong Kong. Nooe the less, there are conflicting interests.

China wants to maximise its Hong Kong, and maximise the The reasons for enphoria are role of the city state in facilitat-Hong Kong industrialists want These separate interests have always existed in the Hong Kong-China relationship. the more permeable the border hecomes, the more these dif-ferences may come into focus.

### Illegally

Last year, more than 100,000 people arrived in Hong Kong reservations may need to be from China. This year the flow made. The new opportunities far business with China may an annual rate of 150,000. About also brine new conditions under one-third come in illegally. The which Hong Kong implicitly Hong Kong Government has operates. Not all may he com- made numerous attempts to fortable. The border has never persuade the authorities in both Canton and Peking to stauneb the flow. They have replied sympathetically, but nothing has happened. The flow goes on. Liberal policies in China make it very difficult to stop. Provincial authorities are responding to requests for exit permits, for instance, to allow people to visit Hong Kong to see relatives. There is a release of pent-up demand, and additional demand created by worry that the new



scale illegal migration. Hong exports. Kong has had waves of immi-

grants before. This one will die down loo sooner or later as pent-up demand eases, if the Chinese authorities at last respond to Hong Kong pleas, or if demand for labour in Hong Kong cases off. But the general result of more liberal, modernist policies in Peking is likely to mean that access to Hong Kong will become casier.

In the short term, the inflow has benefited Hong Kong, providing labour and thereby helping to keep wage rates in an overheated economy from rising excessively and damaging the competitiveness of export industry. But the boom is ending, and if the immigrants continue to come, unemployment could

In the past, Hoog Kong has heen able to absorb massive

China and the generally reloxed to quota limits and there is a atmosphere is facilitating large- protectionlst shadow over other

Migrants are not going to come in the long run unless they can find jobs, so to some extent the situation may be self regulating. But the more oermeable the border becomes. the greater potentially the influx of tabour, which will naturally hold down wages. This is to the advantage of low value-added, low skill industries which have been finding difficulty compeling overseas with cheaper labour countries like South Korea. If you helieve some leading industrialists in Hong Kong. there is virtue in low wages rather than in more business opportunities created by higher disposable incomes. There is a group clearly ing, education and welfare loterested in maintaining services. This year, for instance, access to a vast pool of the Government will complete nnskilled labour.

As for China, to maximise its influxes of labour by raising the carnings it is interested in horder in Shenzen (Shumchun) liberalism may not last.

volume of exports. But that is growth of Hong Kong's CNP, not Expectations have been rising. There could he big advantage of workers into Hong Kong, the processing the same time an easing of these is a project for the of travel restrictions in South and garments are mostly close. What, if any, policy China has sumer durables, and more border developments: a ready get bigger, but its special situation.

Kong could "easily support 7m sympathise with those who want comrades." It currently has a the income gap between China population of 4.5m. He may and Hong Kong to keep growing terms but there is a hint there, gration it would almost cerperhaps, that Hong Kong is now tainly do. viewed not simply as a remote. Su much for movement into and peculiar institution, but as Hung Koog. There is also movea very prosperous little nocket ment in the other way - of whose prosperity might be investment, Industries and spread around to a few more money into China, mainly into ocople. From being unmention- Guandang province, including able, Hong Kung has become Shenzen. There are already a almost a symbol of modernity. number of Hong Kung-financed But what is looked up to may and run factories in Shoppen also be envied.

China is also aware that a steady migration of people to Hong Kong factories.
Hong Kong belps to maintain the lt is not certain how essentially Chinese characteriof site effect on Hong Kong. A high inflow of people will hold down wages and reduce the incentive to industrialists to move into industries of higher added Kong, value, higher technology, and Infr-greater capital-intensiveness. It menta home ownership and more consumer durables.

### **Aspirations**

The rate of immigration is already affecting the aspirations of the people for hetter houssome 40.000 flats, but that is population increase.

on the subject of Hong Kong's education. But China is all too population is not known. A conscious of how much better Fujan province official was off people in Hong Kong already recently quuled as saying Hong are, su it is unlikely to have been talking in very vaque -us without large scale immi-

> Industries and producing goods for the Hong Kong market or components for

It is not certain how successful these ventures will be. the city, constantly diluting the Terms under which they westernising influences of edu-operate seem to be as much callon, English mass media, and based un expectations of a conthe consumer society. China tinuing spirit of goodwill as on sees itself as becoming offer specific agreements that will like Hong Kong, modern and in- take account of shifting market dustrial. But a freer flow of conditions, prices of inputs and people tends to have the oppolevels of demand. The productivity of unskilled

labour working under Chinese conditions is very much lower than in money-motivated Hong

Infrastructure is still rudimentary in Shenzen. But Hong Kong's China Light and would also hit bard at the aspir-ation of the rapidly growing Power Company is to provide educated middle class pursuing electricity, and other improvements are in progress. China is prepared to bring more labour into the area if needed to meet demaod. It has said that it aims to increase the industrial workforce in the area by 100,000 within three to five years.

The advantages of investing in Shenzen, enjoying access to (and through) adjacent Hong Kong while paying what amounts to only ahour one fifth barely enough to cater for the of the going Hong Kong wage rates are obvious.



Governor Maclehose: Pcking received him.

source of supply of cheap components, the potential to carry out certain operations -- for example, container repair-close by, but without having to pay the crippling costs of a landintensive industry in Hong

If Shenzen does lake offand China is using the current Canton Fair to promote the area - it is inevitable that its infrastructure will improve with time, and its workforce become more skilled and more attuned to capitalist motivations. Com-munications hetween Hong Kong and Caoton are being strengtheneo and there is talk that the new airport Hong Kong needs will be built in Cbina.

In the long run, Hong Kong and Shenzen most probably would tend to move towards a greater degree of economic

Alternatively it is possible that a situation would develop where most skilled activities and all industry-related services were carried on in an ever-more prusperous Hong Kong while the of wealth between an almost people of Shenzen gained a developed city state and a China modest existence as the hewers of wood and drawers of water for middle-class Hong Kong-China might find that hard to stomach. It is also unlikely in the context of a continuing flow

tion, its special wealth, its special political situation, would begin to be croded.

Trans-border activity mostly been welcomed in Hong Kong, particularly by big businesses which see it as an opportunity for bigger enterprises and cheaper labour. Some even bave visions of a South China megacity embracing Hong Kong and Canton, of a synergy of capitalist enterprise and Communist social organisation.

But the consequences for Hong Kong of a permeable bor-der are difficult to discern and have tended to be obscured by the enthusiasm for the oppor-tunities that the opening up of China is presenting.

The economic consequence of a permeable border—that the two sides will become more alike -is clear. But there may be big social and political consequences as well. The more China knows about Hong Kong and feels Hong Kong to be part of China, the less tolerant it may be in the long run of the discrepancy developed city state and a China still very firmly stuck in the Third World. Unless there is a dranistic reversal in China, it is certain that Hong Kong will not eo out with a bang either hefore, during or after 1998. But the process of absorption may

# Letters to the Editor

# Paying for cuts

From Mr. D. Ives.

Sir,—It would perhaps be tion. I am sure he was abso-naive to expect an excess of lutely right and perhaps if there honesty in the middle of an are still no overt Labour supelection campaign, but when all porters this is still true. allowances have been made for Bryan Askew, the exuberance of the hustings, 27, Golf Links Avenue, Mr. Callaghan's statement on Tadcaster. the financing of Labour's programme really takes the biscuit. According to your report of April 28, Mr. Callaghan said Labour intended to pay for its proposed cuts in income tax "by the excess we bave at the present time, that we have allowed From Hilary Phelps.

What "excess" has the Government allowed for? Is not the reality that with the indexation of personal tax allowances for 1979-1980 already announced, the prospective borrowing requirement is already over £10bn, compared with the level of do, however, is to attract to f81bn which even Mr. Healey senior positions more of those has accepted as the maximum which can be contemplated? Will not the main feature of the next Budget be a net in ment crease in taxation to redress the Hilary Poelps. balance, moderated by some reductions in public expenditure with no such moderation—if Mr. Callaghan is to be believed—if Only a tax Labour is still in charge?

In the unlikely event of Mr. Healey presenting the next Budget, it will be intriguing to see how he proposes to bononr the daunting commitments made David Ives,

Monor Lodge, Milford, Near Godalming,

# A lack of believers

From Mr. B. Askew Sir,-Observer's piece in Men and Matters (April 27), com-menting that there are no Labour candidates employed by British Steel Corporation, reassets on a husband's death is minds me of the 1970 campaign. In that election my friend, by a spouse trust. Under estate william Camp, unceremoniously duty rules, tax was payable on his death and on the liferenter's sacked a year later, was PA to his death and on the liferenter's Harold Wilson and I, also worksubsequant death the assets

ing then for BSC, fought Peni-atone as a Conservative. William Camp always main-

few in 33, Grosvenor Place who actually belteved in nationalisa-tion. I am sure he was absolutely right and perhaps if there

Taxation and

# aspiration

Sir,-Peter Riddell (April 25) may well be right when he states that a reduction in personal taxation would not necessarily inject a new lease of life into existing British management.

What such a reduction would younger people who at present baya little material reason to aspire beyond middle manage-

95, Chambers Lane, NW10.

# holiday -

Sir. - Professor (April: 30) quotes a considerable reduction in the burden of capital taxes both as a proportion of total taxes and as a proportion of GDP. He fails to point out, bowever, that as between busband and wife estate duty was effectively payable on the first death, whereas capital transfer tax is payable on the second death, and that on the second death and that the introduction of the change from the one to the other has

The reason for this is that the commonest disposition of assets on a husband's death is

### produced a tax holiday but not a permanent lightening of the

# Growth of foreign car sales

From Mr. J. Morgan

Sir.-f am surprised that no one has challenged the remarks made by Mr. Michael Edwardes (April 24) to the effect that national attitudes are responsible for the growth of foreign cars at the expense of British Leyland. If Leyland is to have any chance of regaining its former märket shares it will bave to recognise that the growth of foreign car sales is a direct result of its own past policies and performance.

In 1970, when I was managing diractor of one of British Leyland's largest chains of distribulors, I argued unsuccessfully to put a stop to the suicidal policy of terminating dealer or distributor franchises, a policy earried mostly for reasons that the dealers would not give up their activities selling non-Leyland makes of cars.

Blinded by Ford's success in reducing its dealer network, and not recognising that times had Courns Wood House, changed and that this time Clappins Lone, dealers had the alternative of North Deon, taking on hitherto unknown Bucks.

Leyland provided makea. foreign importers with a ready-

The problem was further compounded by poor availability and inadequate quality control. The latter is not a prejudiced viewpoint, but one based on published figures relating to the amount of warranty work carried out on Leyland cars vis a vis Japanese cars.

As anyone in the pharmaceutical, grocery or consumer durable area knows, market share is a function of distribution, whatever else is involved, and anyone looking around bis own community will observe that foreign car sales follow the appointment of foreign car dealars.

If British Leyland will concentrate on availability and quality of the product that the customer wants, then Mr. Edwardes will be amazed at bow national attitudes will change. J. D. Morgan.

Under the new tax nothing is taries, tained that he was one of the payable on transfers to the

Accordingly in the period after the changeover, virtually datory and informative style. no tax is payable as the second deaths bave already paid tax and the first deaths don't pay any. As the years pass "exempt" deaths will gradually diminish and the full burden of the tax will gradually appear. It will take ten years at least for the true burden of the new system to appear. At present all calculations about the burden of From Mr. S. Friedlander capital taxes are hopelessly

36. Renfield Street,

# Olympic Games

From Mr. T. McNaughton. Sir.—Judging by the difficul-ties experienced by the Olympic Games committee in finding vennes for the Games, due to the enormous expense involved. it is surely time for considera-tion to be given to the alternative of baving the Games staged at a permanent site. This would ensure that the facilities would be superb and the atandards for the athletes would always be directly comparable with those of previous Games. And if this suggestion is taken up, what better venue than Athens?

T. G. H. McNaughton. P.O. Box 501. Blantyre, Malosci.

# Executive action

From Miss I. Cossidy.

Sir,—O lackaday, Observer, on April 27 your column shattered the peace of mind of one of your oldest fans! Don't you realise you are spreading alarm and despondency among all good secretaries when you suggest they may in the near future be displaced by executo tap out their own messages on video and telex machines if they want to get things done quickly "?

But, seriously, perhaps you can persuade Pitcher the Chip to come across with some more detailed information about this self-service available to executives, because for my part I would really like to know how those on the receiving end of the messages get on when they are engaged in transmitting their own edicts, and indeed when in some cases neither video nor telex apparatus may be available to receive communications. Besides, where are the permanent records (if any) of said instructions or memos stored? I cannot imagine the service is intended for correspondence with the public, where

typing is generally required for egibility if nothing else. Also, I was surprised to learn that the managing director of a communications company found "that most secretaries who worked for him didn't like typing anyway." Perhaps the word "anyway" explains it, but otherwise I can ooly surmise that the selection of ond Engineering Industries, the secretaries may have been based on qualifications which

passed, usually to the next did not cover all the usual skills generation, free of further tax. expected of competent secre-Come on, Observer, put us porate buying.

widow but tax is payable on out of our misery by getting ber death.

your Science Editor to deal with this subject in his usual eluci-(Miss) Isobel Cassidy. 30. Chodston House, Holton Rood, N1.

# Playing the market

Sir,-The review of Mr. Paul Richards' book and Mr. Robert Salomon's study (April 28) are both evidence that institutional iovestors Ignore the Inherent nature of markets-fluctuation and the most profilable invest ment strategy—the exploitation of fluctuation. Far from being boring, as Mr. Salomon claims. the U.S. market bas been in-creasingly stimulating as the violence of fluctuation bas increased.

Mr. Richards' comments on random walk are irrelevant to institutional under-performance. The reason is excessive diversification and unwillingness to make massive shifts from being fully invested in stocks around cyclical lows and uninvested around cyclical peaks. The dominant cycle has even been periodie, about four years from low to low, with lows in 1957 1962, 1966, 1970, 1974 and 1978

The worst mistake attributed to Mr. Richards' book is that "chartism is futile." It is the only way to try to comprehend fluctuation which is what the stock market is all about.

S. M. Friedlander. 7, Sussex House, Glenilla Rood, NW3.

### The role of judges

Sir.-The Haldam Society is standing on its head in demand ing Lord Denning's retirement Lord Denning is not a negative judge who is anti trade union. He is a positive judge con-ceroed for the individual's freedom and protection from those in position to abuse their power, whoever they may he What else are judges for? D. L. Stebbings,

i, Wappino Pierheod, Wapping High Street, E1

# No ship subsidy in Finland

From the Managing Director, Federation of Finnish Metal ond Engineering Industries.

Sir.—In your report "Decision in May on Ship.—Benn" (April 25), it was stated that the Finnish competitor for the order was being heavily sub-sidised. On behalf of the Finnish shiphuilding industry we categorically deny that there are any export subsidies for the shiphullding industry in Finland, other than the normal export credits regulated by the Organisation for Economic Co-operation and Development agreements. Nils Helten,

Federation of Finnish Metal

### UK: London Chamber of Commerce conference on sterling and UK exports—speakers include Prof. Brian Griffiths, City University; Mr. William Batt, National Westminster Bank; and Mr. Kelth Harwood, Macy's cor-

Sasse syndicate meeting at Lloyd's of London to discuss future management of syndicate. AUEW conference, Winter Gardens, Eastbourne.

EEPTU conference, Conference Centre, Brighton. Two-day Ayrshire Agricultural

International Freighting Ser-vices and Equipment Exhibition Zhivkov.

# **Today's Events**

and Conference opens, Harrogate OFFICIAL STATISTICS (until May 4). Exhibition of synthetic official reserves, Bank of Eng-jewellery and gems opens at land releases capital issues and Goldsmiths' Hall (until May 251, redemptions (during the month Overseas: Mr. Mosayoshi Ohlra, of Aprili.
Japanese Prime Minister, starts COMPANY de talks with President Carter

IMF gold auction. Asian Development Bank meets in Manlla (until May 4). Herr Helmut Schmidt starts three-day visit to Bulgaria at Invitation of party leader Todor

in Washington,

Treasury publishes April UK official reserves. Bank of Eng-

COMPANY RESULTS
Final dividends: Allied Plant
Group. Altifund. Clarke
(Cement) [Holdings]. Continental Union Trust. Furness Withy sod Co. Hawtin. Laporle Industries. Macdonald Martin Distilleries. Manchester Liners. Peninsular and Oriental Steam

Walker and Co. Ioterim dividends: National and Commercial Banking Group. Safe Guard Industrial Investments. COMPANY MEETINGS

Equity and Law Life, Lincolo's Inn Fields, WC, 12.15. Expanded Metal. Institute of Directors, 116 Pall Mall, 12.30. Fairclough Con-Struction Group, Midland Hotel, Manchester, 11.30. Family Investment Trust, 20 Fenchurch Street, EC. 2.30. Federated Land and Building, 100 Old Broad Street, EC. 12. Lambert Howarth, Burnley Creet, Hotel Rurnley, 12 Burnley Crest Hotel, Burnley, 12. Hugh Mackay, Royal County Hotel, Durham City, 12. Thurgar Bardex, Telford Way, Kettering. Navigation Company. J. O. Lorthants., 11.30.

Scottish Equitable now offer a savings plan that, after just 10 years, allows you to withdraw your cash at any time-by simply writing yourself cheques. ChequePlan.

# Tax Efficient

The idea is that you plan ahead ten years by deciding now the size of savings account you would like then. By planning ahead, you eliminate your liability to personal

### Another Innovation from Scottish Equitable

Here's how it works. After paying premiums for ten years, you can leave your investment with us in what is

effectively a highly efficient savings account. You can withdraw cash as and when you need it, and the balance in your 'account' will continue to grow with special bonuses.

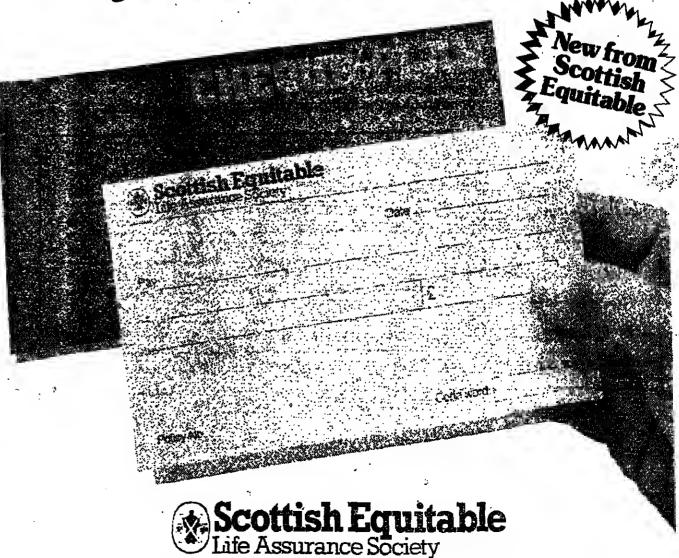
# Tax Advantages

For every £33 you save, you will normally gain £7 free from the tax man. Withdrawals of money after the ten years are completely tax free. Higher rate tax payers will also enjoy extra, very attractive tax

So, instead of forever writing cheques to everyone else, plan now to start writing them to yourself. With ChequePlan.

Get in touch with your Insurance Broker

A life assurance office you can bank on.



28 St. Andrew Square, Edinburgh EH2 1YF.

# Smith & Nephew ahead Alginate profit in first 12 weeks

In the first 12 weeks ended March 24, 1979, pre-tax profits of Smith and Nephew Associof Smith and Nephew Associated Companies rose 11.5 per cent to £5.01m on third party sales, up 4.5 per cent at £44.49m.

The sales figure excludes inter-company sales and sales by excepted excepted.

by\_associated companies. Earnings per sbare are sbown at 2.21p compared with 2.19p, a riae of 0.9 per cent. On a de-ferred tax basia, earnings would be 9.2 per cent bigber at 1.66p

In 1978, the group reported full year profits of £20.45m com-

pared with £17.3m		
	1979	1978
	£000	5000
Third party sales	44,486	42,570
Operating profit	5,379	4,775
Exchange gains	36	30
Interest paid	754	. 736
Associates	349	424
Profit before tax	5,010	4,493
Tax	1,553 .	1,200
Nat prefit	3,457	3,293
Minerilies	2	9

• comment ·

Smith and Nephew's first quarter results are much in line with the company's March forecast. The respectable, though uninspiring, 11.5 per cent profits rise reflects steady growth in all divisions except cosmetics, where it la taking longer to recover from the effects of Janary's bad weather and nationa haulage strike. Although the first quarter results are never much of a guide to the full-year figures, the markel is sticking to its forecast of about £23.5m, against £20.4m last time. This rate of growth is slightly less than that achieved in 1978 and includes an interest saving of roughly £0.6m from the conversion of loan stock. At this level

A SHARP advance in pre-tax profits from £0.63m to £1.72m in

the aecond half boosted the 1978

result of Haden Carrier, building aervices and metal fiolabing

engineering group, to £2.74m, compared with £1.42m previously.

And the directors anticipate a

further Improvement in the cur-

A record taxable surplus of £3.27m was achieved in respect

25p sbare are given almost doubled from 8.7p to 17p. A final dividend of 5.703p lifts the total

to 8.703p net against 7.795p last

included. Sir Alan Pullinger, chairman,

The result excludes a profit

Tax for the reported year takes years. £1.36m (£0.62m) and earnings per

# HIGHLIGHTS

Lex looks at the liquidity position of institutional investora and takes the view that it is rather low. The British airline business comas in for comment on the announcement of Davies and Newman's figures, while the full accounts from Gnest Keen are also examined. Elsewhere Smith and Nephew's firal-quarter figures are comfortably above the March forecast and wholesaler Nurdin and Peacock closes its books on a good second-balf rise in profits despite the margin pressures on groceriea. Spear and Jackson reports record posits and a sharp decline in borrowings. The group is now on the look out for likely acquisitions. Haden Carrier's profits are almost doubled the control and Sherrwood is and the shares rose 8p to 125p and Central and Sheerwood is above the half-time forecast.

# £1.2m by Rush & Tomkins

PROFITS before tax of the Rush and Tompkins Group pared with £1.27m in the previous year—first half profits had dropped slightly from £408,000 to £392,000.

D		1978
-		£0000
ī	Turnever	61,231
L	Net rents	1.363
2	Operating profit	225
r	Except, credit	=
•	Central expenses .	293
r	Interest	122
3	Profit before tax	1.173
	Txx	131
	Minerities	28
	Extraord, dabits	*74
5	Attributable	940
1	Dividends	334
Ē	Retained	606
	* Geedwill written	off inve
-	aubaidiary £11,000 and	

the abares, at 76p, aell on a prospective p/e of 10.4 (fully taxed). A 10 per cent increase in the dividend will give a yield reptional credit in 1977 of terest and expenses of £415,000 ls increased—from 2.14p to a against £677,000 and an ex-maximum permitted 2.35p with a ceptional credit in 1977 of £162,000.

expects further improvement

In the Middle East, problem cootracts bave been tackled

resolutely but the group is still having to support the associated

heavy overheads in the UK.

Evens in Iran have resulted in

closure of substantial contracts there, without loss, but reducing the profit that would have heen made in 1978 and in future

Almost doubled pre-tax profits

from Haden Carrier were enough

to lift the shares 8p yesterday

to 125p. That may be very near the top of the 1979 trading range

the need to provide for Iranian losses has been avoided, although

comment

of £222,000 (£123,000) made in hut, once again, the performance Nigeria—only the £23,000 share is studded with many hits and as

says that once again a good result the group will bave to forgo a was achieved in the UK despile considerable level of potential difficult trading conditions profit, and the Middle East

Earnings per 25p ahare are shown as 9.2p compared with 10.6p and net assets per share amount to 240p against 234p. The final dividend is 2,233p lifting the total from 2.899p to 3.203p.

The group tradea in proparty investment, residential development and civil engineering cou-

# Wire &

DESPITE the fall of anme £14,000 to £148,569 in the first half, Wire and Plastic Products finished 1978 with pre-tax profits of £374,407 compared with £347,009 previously.
In their interim report, the

directors sald that despite a modest sales increase they were not able to hold profit margins. They boped to finish the year with at least the same pre-tax profits as in 1977. As expected, the dividend total

floal of 1.46p. A two-for-five scrip issue is also proposed.

level of demand from the motor

industdy was enough to lift the contribution by a quarter.
Against that, Australia slipped
a further £380,000 lnto the red,
the Belgian and Spanish opera-

tions suffered a shortfall, while

Fraoce, where a shortrait, while Fraoce, where further pruning may be necessary, lost about £1m pre-tax. UK profits dropped by over £500,000 on a 15 per cent turnover improvement although the slightly lower level of new orders looks to be

coming though on a more profit-able basis. The historic p/e of 7 and a yield of 10.9 per cent-

may be overlooking the chances, Middle East recovery permitting, of beating the 1975 profit peak

of £3.3m but the track record

France and Australia, for example, have been periodic

troublemakers for at least the

past five years and the market can only hope that their prob-

# Haden advances to £2.74m and

# down to £1.6m

lower profits are reported by Alginate Industries for 1978—the taxable surplus falling from £2.8m to £1.66m. And the directors say it is almost impossible to give any indication of an increase in the current year, the road bauliers' dispute coating over £1m in lost produc-

At midway, profits were down from £1.76m to £1.15m, and the directors said the full-year surplus was likely to be substantially lower than in 1977. This forecast was confirmed in January at the time of the first bld for Alginate by Merck and

Turnover in 1978 was £18.27m compared with £16.74m last time. After tax of £296,000 (£872,000), earnings per 25p share are shown down from 34.77p to 24.41p. The net dividend is raised from 9.6377p final.

Group activities are the collection, drying and milling of brown seaweed, extraction of alginates. and worldwide sale of alginate 8p, the shares still cootain a

comment

Alginate's 40 per cent pre-tax ceot.

the group's vital export markets and bigber sterling parities take oo the greatest long-term significance. Profits were blighted by teething troubles in a new production process, the August strike at the larger of the extraction factories, the cost of the research department's move from Girvan to Tadworth and the coustruction of a new dam at Barcaldine, which is still not complete. Secondary picketing in February caused the loss of in February, FMC and Co. start to the current year but made an offer and Merck competitive margin pressure, increased its bid—both bave been referred to the Monopolies Commission. nounced impact. Alginate's willingness lo sit down and talk with Merck and FMC Corporation may be seen in that context. Both Commission decision at the end net dividend is raised from of July, are regarded as "con-13.9615p to 14.1731p, with a structive" and any bidding Group activities are the colice would obviously start at Merck's

perhaps increased competition in

initial (and accepted) offer of 385p per share. At 320p, down speculative element, for a p/e of 12.7, on an 18 per cent tax charge. of all the factors contributing to grounds. The yield is 6.8 per

# **ISSUE NEWS Provincial Laundries**

months Provincial Laundries is every 11 ordinary shares beld. asking abareholders for a cash injection.

The latest call is for £0.75m by way of rights on the basis of one-for-two at 25p per sbare, and moderoise the laundries, while bolders of the £364,975 12 The company also had "a per cent Coovertible Unsecured Loan Stock 1986-88 will be For 1978 Provincial Laundries offered five oew ordinary sbarea for every .. £1 of oominal stock beld. The issue has been underwritten by Messel and Co.

# asks for more cash For the second time io seven proportion of £1 of stock for Mr. J. A. Peacock, chairman azid yesterday that the proceeds of the latest issue will be used to expand the garment linen bire

For 1978 Provincial Laundries made a near full recovery when it turned in profits of £100,028 (£28.800 loss)—just short of 1974's record level of £106,563. This follows a rights issue last
September of £364,975 of "quite significant" cash halances,
convertible stock at par in the

# Yearlings fall to 11%

from 111 the previous week. Issued at par, they are due on The Issues are: City of Exeter

(£0.75m), Borough of South Tyneside (£0.75m), Ribble Valley Borough Council (£0.25m), Tewkesbury Borough Council (£0.5m), Borough of Wolverhampton (£0.5m), District Council Llanelli Borough Council (£0.25m), Bury Metropolitan Borough Council (£0.5m). Lichfield District Council (£0.25m), Council (£0.25m), Buckinghaor-sbire County Council (£1.5m), difficult trading conditions profit, and the Middle East can only hope that their prob- Loodon Borough of Hounslow Profit was slightly down on the deficit is better than balved, lems are finally being corrected. (£1.5m), London Borough of

The coupon rate on this week's Wandsworth (£0.5m), Southend-batch of local authority yearling on Sea Borough Council (£1.5m), bonds has fallen to 11 per cent Blaby District Council (£0.25m), Blaby District Council (£0.25m), Bromsgroye District Council (£0.5m), Salisbury District Council (£0.5m), Ainwick District Couocil (£0.15m), Barnsley Metropolitan Borough Council (£0.5m), London Borough of Hastings (£0.75m), Council Borough Council Brighlon Borough (flm), Fife Regional Council (flm). Borough of Knowsley has

raised £1m through the issue of on April 28, 1982, while Kilmarnock and Loudoo District South Pembrokesbire District Council £0.25m with the same

Sedgefield District Council has issued E0.25m of 11; per cent bonds at par due on May 2, 1884.

King & Shaxson

# Davies & Newman over £2m—prospects good

preratiog on a profitable basis, Davies and Newman Holdings, the shipbroker, ships agent and Dan-Air airline operator, pushed profits through the £2m barrier for the first time in 1978.

Mr. F. E. Newman, chairman, explains that the result was largely due to better flight operating conditions and a reason-ably stable situation regarding foreign currency and aviation

In 1977 the group profit fell from £1.88m to £0.8m but this was a year in which some £350,000 of revenue had been lost and increased costs of some £1.15m incurred as a result of industrial disputes offecting air traffic con-trol in the UK and overseas.

control delays and other con-tingencies, and provided these do not increase, prospects appear good and be looks forward to nother satisfactory year. He reports that the results of

the shipbroking company for the first quarter are ahead and there are no signs indicating a down-turn in market conditions. On the aviation side Dan-Air's capacity is fully taken up for 1979 summer season and the following winter. The airline is ready in cope with the antici-pated high level of activity in the next few months,

Earoings per 25p share are shown to be up from 13.2p to 22.3p—the 1977 figure is adjusted to comply with SSAP divisions' forward order books

### DIVIDENDS ANNOUNCED Alginate Inds. Anchor Chemical ..... Central & Sbeerwood . Davies & Newman ..... Haden Carrier ..... Nordin & Peacock ...... Roberts Adlard ...... Rosh & Tompkins ..... 8amuelson Film ...int. Spear & Jackson ....... Tern-Consulate ...... Turriff Corpu. ..... 2.46 2.36 W. Stringer ...... Wire and Plastic ..... July 1 Dividends abown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes 0.01595p tax adjustment.

The dividend lotal is eased from 7.3036 to increased from 7.3036 to 8.15564p, with a final of 5.4371p.

# Increase at Tern **Consulate**

See Lex

TAXABLE PROFITS of Tern-Consulate, shirt and tie manufacturer, rose from £202,993 to £276,700 in 1978, on turnover up from £4.11m to £5m.

Reporting a midway profits increase from £65,762 to £102,168, the directors said the second-balf trend was in line with budgets and the tie and ablirt divisions were performing well.

at encouraging levels.

As forecast at the time of the rights issue, the net final dividend is atepped up from 1.25p to 1.85p per 25p share, making 3.6p (1.65p). Stated earnings are higher at 17.33p (12.59p). No tax is payable for 1978— last time there was a £19.776 cbarge. There is an extraordinary credit of £27,500 this time.

### Banro chief confident

Results for the first half of 1979 at Banro Consolidated Industries should not be less than the £496,718 achieved last year, Mr. E. Rose, chairman, said at the annual caperal meeting. at the annual general meeting, despite the road haulage strike disruptions earlier in the year. He added that the group looked The chairman now believes forward to the future "with a lot of confidence."
Profits for the whole of 1978

# Central & Sheerwood well on target with record £5.53m

IN LINE with their interim forecast the directors of Central and Sheerwood report record taxable profits for 1978 of £5.53m against a previous f4.66m, an increase of 18.6 per cent, on turnover of £70.45m compared with £63.82m.

After six-months profits bad increased from £2m to £2.74m and the directors said that pretax figures lo the second half should at least equal those of the first half. They remained confident that growth would be sustained.

They now say they are confident of a satisfactory outcome for the current year as a whole. Stated earnings per 5p share are 6.36p (5.46p) and the dividend is effectively raised to 1.379p (1.176955p) net with a Treasury permission has been granted. Holcombe Holdings another successful year,

final of 0.704p. prologed Ford strike, the Dunn group's performance was excellent and Trianco-Redfyre main-tained its significant abare of

beating boiler market. And Dawson MMP is making considerable progress, they say.

Newton Chambers Eogineering produced record profits, although it is still working below

full capacity.

Photopia International fully justified its profit expectations, the directors add, and the printing and publishing companies had a record year; their momen-tum is expected to be main-Financial Services earned

minimal returns, partly masking significant regional expansion financed out of revenue, but 1979 should he a better year, Turnover of Ransomes and

Rapler was £20.12m (£20.51m) (£2,33m). Tax took £592,877 (£34,000) and dividends absorb £700,000 (£900,000). The amount relained was £1.15m (£1.4m).

comment

voiced its disappointment by clipping the share 11p to 35p yesterday. The Ransomes and Rapler heavy engineering sub-sidiary, which contributes roughly 35 per cent of total sales. only managed a slight gain on 197. The problem is the construction side, where growth is being hit hy the poor performance of the industry worldwide. The light engineering activities, under the Holcombe hanner, eojoyed a huuoyant period as did Photopia International and the printing companies. The outlook with profits likely to undershoot 1978 hut, for the year as a whole some improvement could he on the cards. Liquidity suffered a delivered in 1978 was not taken on the client's hooks until the pany is happy with its working capital position and is contemplating one or two engineering central and Sbecrwood a man pre-tax figure is marginally existing facilities. The source above the interim forecast but have a fully taxed p/e of 9.1 and been a yield of 6 per cent.

previous year and so were new The U.S., too, must he a cause orders, though margins were of some satisfaction where the

# **ASSURANCE COMPANY LIMITED** Another year of good progress



The following record of progress is compiled from figures revealed in the Statement by the Chairman, Mr. Jocelyn Hambro, and the Annual Report for 1978.

The picture presented by the figures is one of substantial growth and underlying strength spanning a period of years marked by fluctuating social and economic conditions in the territories where the Company trades.

ADALID DECILITE	<del></del>			
General Premium Income	1978 £m 337.6	1977 £m 323.0	1975 £m 245.5	1972 £m 136.7
Life New Sums Assured	1,722	1,110	961	508
Investment Income	39.5	.35.9	24.3	9.5
Underwriting Transfers	<b>—</b> 0.5	0.9	<b>—</b> 5.6	3.6
Group Net Profit	22.9	24.1	11.1	7.6
Profit Retained	15.8	17.8	6.2`	4,3
Earnings per Share	38.0p	40.2p	20.8p	18.3p

### 1978 REVIEWED

- \* In the United Kingdom the results were adversely affected by bad weather conditions and a significant increase in fire wastage.
- Excellent profits were earned in North America.
- \* Results from Europe were disappointing but with few exceptions, other territories overseas operated satisfactorily.
- Life business was at a record level with new sums assured in the United Kingdom increased by 63% and new annual premiums by 42%.

For a copy of the Annual Report 1978, please write to Secretarial Department, Phoenix House, 4-5 King William Street, London EC4P 4HR.

# St. Piran gives undertakings

THE NEW THROGMORTON TRUST LTD. Capital Loan Stock Valuation May Ist, 1979

The Net Asset Value per £1 of Capital Loan Stock is 266,96p. Secuntias valued of middle market prices.

The battle for control of Saint Piran continued yesterday when the directors of the company gave three undertakings to the High Court.

The directors successfully applied for an adjournment of proceedings brought by dissident shareholders, led by Mr. Max Lewinsohn, on condition thal the directors undertook 1-Tn refrain from taking any action other than in the normal course of business;

2-To prevent the appointment of any new directors to the Boards of the parent or subwith directors of the parent com-pany or its subsidiaries.

heen several changes of directors

Meanwhile Gasco Investments, which is headed by the ex-chief has built up its stake further, in oper The holding now stands at market.

3—To prevent the granting of 3,450,000 sbares (29.57 per cent) new or the alteration of existing only a fraction helow the 30 per aervice agreements or contracts be obligatory.

Mr. Lewiosohn said yesterday In recent weeks there bave he had forecast the Gasco bolding seen several changes of directors would rise further and it had. He meen several changes of directors in the group.

The action brought hy the dissidents seeks tolerim relief in the form of independent receivers and managers to run the company.

Meanwhile Gasco Investments

would rise further and it bad. He now thought the buying would rise further and it bad. He now thought the buying would now the buying wou hand to the right band," be said. He did not believe such large of Saint Piran, Mr. James Raper, lines of stock had been deall has built up its stake further. in openly through the stock

# Poll vote or long sh The party returning the greater number of seats to Parliament

2/7 Conservative 11/4 Labour

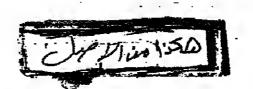
To win and have an Overall Majority | To win and have no Overall Majority 4/9 Conservative 6/1 Labour 5/1 Conservative 9/2 Labour

LIBERALS & SCOTTISH NATIONALISTS SEATS IN PARLIAMENT						
LIBERAL SEATS SCOTS. NATS.						
0-3 Incl	- 5/1					
4	8/1					
. 5	4/1					
6	17/2					
7	4/1					
8	6/1					
9	8/1					
10	12/1					
11	16/1					
12	25/1					
13	50/1					
14	100/1					
· 15	250/1					
	ATS IN PARL SEATS 0-3 incl 4 5 6 7 8 9 10 11 12 13 14					



01-591 5151 ext. 273 041-552 3626

ODDS FOR OVERALL MAJORITY				
CONS	SEATS	LAB		
16/1	1-6	20/1		
16/1	7-12	20/1		
14/1	13-18	25/1		
10/1	19-24	33/1		
10/1	25-30	50/1		
10/1	31-36 37-42	66/1		
12/1	43-48	100/1		
14/1	49-54	500/1		
16/1	55-60	500/1		
20/1	61-66	500/1		
20/1	67-72	500/1		



# Worldwide growth in demand for our products and services

A vote of confidence for the future

Sound	financial	base	×	\

After-tax earnings up 17½%

Largest newsprint producer in USA

Biggest coated paper maker in Britain >

X

Largest raw cotton merchant in World

Continued improvement in return on assets

Packaging and tissues for home and industry

ets X	
lustry X	
The Bowater Corporation	
Limited	

	1978 ∙£m	1977 <b>(</b> £m	Change %
Trading profit Profit before taxation	111.8 90.0	110.5 87.0	+1 +3
Profit before extraordinary items	35.6	30.3	+17½
Added to ordinary shareholders' funds	18.0	15.8	<del>+</del> 14
	Pence	Pence	
Earnings per ordinary share Dividend per ordinary share Net assets per ordinary share	23.6 10.83 242.2	21.9 9.78 229.6	+8 +10 +5
	<u>.</u>		
	%	%	
Return on assets employed	18.9	18.2	
Contribution to trading profit United Kingdom Overseas	31.0 69.0	32.0 68.0	

HOU

The Annual Report has been posted to shareholders.

Copies are available from
The Secretary,
The Bowater Corporation Limited,
Bowater House,
Knightsbridge,
London SW1X 7LR

Annual General Meeting Dorchester Hotel, London, 11.30 a.m. Friday, 18th May, 1979

MINING NEWS

# CRA set for 'healthy' rise in earnings

Y KENNETH MARSTON, MINING EDITOR

"A HEALTHY increase" in this to a UK investor even on the coppar and cobalt. The fabri-year's group- earnings of Contact Riotinto of instralia is farceast by the chairman. Sir Roberick

O cents per share from 24 cents ings. But the volume of fertiliser by the chairman, Sir Roberton Carnegie. Speaking at yester in 1978 and raise the dividend day's Melbourne meeting he said that, this anticipation was depen that, this anticipation was depen tage to a UK holder of carrying the contract of the chairman and the contract of the chairman and the cha coupled with improving sales.

He pointed ont that prices of copper, lead and zinc are from 30 per cent to 50 per cent higher than the averages for 1978. Look-in gat the lead and zinc producing Australian Mining and tion of a Lahour Government, o Smelting subsidiary, Sir Roderick a bung Parliament, in the UK. added that it was generating modest profits on the real value of the assets employed.

Meanwhile, lead demand remains strong and production of AM and S is at high levels and stocks are tow. The zinc marke has also remained strong after its recent recovery and thus " the ontlook for group amelters is

. In the bone of extending the mining life of the Broken Hill mines. "into the next century." AM and S is looking into the possibility of mining the lower grade ore which is presently uneconomic. The company has thus approached the New South Wales Government for a reduc-tion in royalties and the unions for an agreement on productivity, but so far there is nothing to report, said Sir Roderick.

An echo from the UK hustings came with Sir Roderick's comment on CRA's need to attract employees having skilt and initiative. "Australia's present high marginal tax destroys such mitiative. It penalises those who earn high wages and it fosters tax avoldance. At a time when Australia needs to start new projects, tax rates dis-courage the people needed to work in them."

The aluminim-producins Net income for the group, Comalco complex is hopeful, which is based in Connecticut, although some what cautious was \$22.3m (£10.7m) in the alumininm-producing shout 1979 prospects while the tranlum-producing Mary Kath-leen has now become a profitearner. For speculative spice there is the group's 56.8 per cent stake in the Ashton diamond exploration venture in Western

n a p/e of 19 and yield only 2 per cent. Shares of the parent of 1978. Rio Tinto-Zinc offer a hetter Resul be a more attractive proposition all products, particularly for

the dollar premium. But, as yes terday's weakness in the UK equity market sugested, these considerations might be out-weighed to some extent in investmeet thinking hy the uncer-tainties arising from a re-elec-

### FIRST ASSAYS AT JINGELLIC

First drilling results are announced by Canada's Pacific Copper from its recently acquired tin-tungsten property near Jingellic in southern New South Wales.

tion of a Lahour Government, or

Hole MP4 has intersected at a depth of 31 metres a core length of 1.22 metres mineralisation grading an encouraging 2.05 per cent tin and 0.89 per cent tungsten. Hole MP5 baa cut mineralisation at a depth of 61 metres and assays are expected

Meanwhile Pacific Copper is about to issue a report on the start-up of its Torrington tungsten mine in New South Wales. Pacific Copper shares are around 92p in London.

### INCOME CLIMBS AT TEXASGULF

The recovery of demand and a bigher level of metal prices have lifted the first quarter profits of Texasgiff and Sherritt Gordon, two North American mineral producers, thus consolidating the trend towards increased earnings among major mining groups,
Thanks to the second-half Thanks to the second-half. In reporting higher sales and recovery in metal markets, CRA's earnings. Texasgult, which is 1978 earnings of AS77m (£41m) active % base metals and ferfimatched those of the previous lifer minerals, said its products year. All sectors of the group, are "in strong demand with are set to earn more this year," prices increasing from the notably AM and S and the depressed level of the past copper gold producing Bongain, several years," writes John ville. Hamersley should also Soganich from Toronto. With make a better showing despite nearly all facilities operating at the pending closure of its iron or near full capacity, unit costs have moderated.

The aluminim-producing Net income for the group.

March quarter. At 61 cents a sbare this was 112 per cent higher than the 27 cents earned in the comparable quarter of

The rise in earnings at Sherritt Gordon was even more pronounced. First quarter income At the current London price was CS9.2m (£3.89m) or 72 cents of 248p, however, the shares are a share against CS2.6m or 20 cents a share in the same period

Results from the mining divi-

**CLIFFORD'S** 

RECORD

The Chairman,

Mr. Gordon Clifford,

in his Statement says

I am more than usually pleased this year

because of the success of our merger with

County Daines, whose results for six months

The recent lang spell of bad wintry conditions

caused lots of minnr problems, but we came

I wrote last year of the exciting prospects and opportunities offered. This year I confirm my

expectations and am sure we are well set for

1977

879

245

2.128p 1.906p 1.733p

1976

20,974 18,457 14,262

945

613

5.8

793

319

from 1st July are included for the first time.

Turnover increased by 48% to nearly £31

million and net profit before tax was 69%

Well set for a prosperous future

through very well and maintained our

services and supplies almost as normal

thanks to splendid efforts by staff in all

1978

4.5

Earnings per shara 11.70p 10.36p 10.00p 7.73p

higher at £1,490,216.

a prosperous future.

Four Years' Progress

£'000

Profit before

Profit after

sales fell from the high level of the 1978 last quarter, although prices were higher.

### JIMBERLANA AND AQUITAINE DEAL

Australia's Minerals and its joint venture partner in the Mt. Bundy uranium exploration prospect in the Northern Territory, Pan d'Or Explorations, bave entered into a letter of agreement with Aquitaine Australia Minerals which creates a new joint

Aquitaine has agreed to spend A\$1m ((£540,000) on exploration to earn a maximum interest of 50 per cent in the areas involved. After this Jimberlana will bave a 25 per cent stake and all three parties will provide the further funds which may be required in proportion to their interests. .

Failure of tha parties to meet their expenditure commitments will, of course, result in a fall in their interests. In the case of Jimberlana, however, this would Jimberiana, however, this would still leave the company with a minimum 4 per cent carried interest or a 2 per cent net profit interest. Jimberiana shares are currently 95p.

### QUEBEC HOPE AT PANCONTINENTAL

Pancontinental Mining, the Australian uraninm company with bopes of mining at the Jahiluka deposit in the Northern Territory, has moved a further step towards the consolidation of its presence in Canada. Its Canadian subsidiary is to

recommend to Cominco and James Bay Development Corporation a further drilling programme at the Otish Mountain uranium prospect in Northern Quebec. Pancontinental is operator for a joint venture of the three The recommendation follows preliminary interpretation of an

open, hole drilling programme, Detailed geochemical analysis of uraninferous samples continues In another venture, Pancontinental is engaged with Focus Resources, which is preparing an application to the British Columbia Petroleum Corporation for a gas purchase contract. Meanwhile, in Australia, engineering studies for the underground development of Jabiluka and work on an environmental impact statement have continued. The shares were 725p yesterday.

### **ROUND-UP**

workforce at Central Nurseman Gold Australia has voted to continu a strike, which has already lasted for a fortnight, called in protest against the company's failure to match payments made to employees in the state nickel mining industry.

Teck Corporation and Niohec Inc. are to invest a further C310m (£4.2m) to raise the capacity of Niohec's niohlum mine in Quebec to 7.5m lb from 5.6m lh. Niohee is jointly owned by Teck and Soquem, the Quehe state mining agency. It is the only Canadian producer of niobium, which is used in steel manufacture. A Teck subsidiary has meanwhile announced the purchase of a 25 per cent interest in Intermagnetics General of New York, a magnet systems manufacturer.

Vestgren, the Greenland lead-zinc producer in the Cominco group, is to pay a maideo dividend of 40 cents maideo dividend (16.9p) a share.

BOUGAINVILLE COP	PER - 0	uarterly
	3 month	s ended
Production:	31/3/79	31/3/16
Ole:		
Dre milled tm city		
tonnes]	8.90	9.46
Grade-	0.55	0.51
Gold (grams/	Q.23	U.QI
tonne)	0.74	0.85
Silver (grams/.		
tonne	1.61	1.80
Concentrate:		•
(dry ionnes]	145 965	155 440
Grade-	140,000	100,440
Copper (per cent)	29.01	30,06
Gold (grama)		
tonnel	32.58	35.24
Silver (grams/	76	75
Metal in conc.:		,,,
Copper (tonnes)	42,294	49,726
Gold (kg1	4,750	5,831
Silver (bal	11.107	12 411

### **SALEROOM**

# **PHILLIPS**

THE AUCTIONEERS 7 Blembaim St., New Sond SI., London Wily OAS. Tal: 629 6602. Regarding the announcement last Saturday's Financial Times the following extra information

should be noted ENGLISH & FOREIGN SILVER & OLD SHEFFIELD PLATE Cat. 37p by post Friday, 4th May, 11 a.m. WATERCOLOURS. Car. 37p by post Tuesday, 8th May, 11 s.m.

PHILLIPS MARYLEBONE FURNITURE & OBJECTS.
Cat. 37p by post.
Findey, 4th May 10 a.m.
View: Thursday 9.00-4.00. PHILLIPS WEST 2
FURNITURE & OBJECTS.
Cat. 37p by post.
Thursday, 3rd May, 10 a.m. View:
Wednesday 9.00-7.00 and morning
of Sale.

Phillips will be closed from 12 moon on Saturday, 5th May to 9.30 a.m. on Tuesday, 8th May.

**BIDS AND DEALS** 

# Artoc Bank disposes of Talbex stake

BY CHRISTINE MOIR

per cent stake. The shares, which were bought for a price thought to bave been around 12p, were sold yesterday through Kitcat and Aitken at 10p with the largest shareholding going Yorkgreen Investments and its chairman Mr. David Green.

Yorkgreen has acquired 12.1 per cent and Mr. Green 10.6 per cent. Mr. Green, a Northamptonshire farmer, will sell his stake at cost gradually to Yorkgreen in order to give it rights over 20 per cent of the shares, thereby allowing it to consoli-date profits from Talbex in its

A spokesman for Artoc yester-

day explained the sale aimply in terms of a worldwida portfolio review. "Although the slake in Talbex fited in with investment strategy 18 months ago, it no longer fits in. It is one of several investments, though the only one in the UK, which has been sold." Shortly after Artoc hecame involved with Talbex, the UK group made a successful take-over for James Warren, a cash over for James Warren, a cash the past three years and has rich company which was also only just turned into profit. involved in insurance broking. Yesterday Kitcat and Aitken

Artoc Bank has pulled its At the time it was thought that explained that Mr. Green had Middle Eastern clients out of this busines would be built up embarked on a rescne policy Talbex Group less than 18 through Artoc's Middle East conmonths after acquiring a 29.88 nections. In the event Talbex included the purchase of Interper cent stake. The shares, decided that it did not fit in lite Linear Gontrols in order to and the broking business was sold.

Artoc then injected its 29.2 per cent stake in Birmingham contractors, Hoskins and Horton into Talbex which made an outright hid for Hoskins. That hid failed and Talbex sold its Hoskins stake at a profit over the price it bad paid to Artoc. The next event in Talhex's

year was the announcement of a £49,000 loss for the six months at last January, after a year of record profits of £572,000. In announcing the loss Mr. Stanley Lunt, the chairman, attributed part of the problems to poor performance from the Skelton Group of light engineering companies. It acquired this group from Artoc last July in

group from Artoc last July in return for sbares which increased Artoc's statek in Talbex from 20 per cent to just under 30 per ceot.

Yorkgreen, an investment group whose main trading subsidiary markets lighting diffusers, has bad a chequered history over the past three years and has

give the group a source of earnings and cash flow. The stake in Artoc would further enhance its position on the stock market. No hoard meeting bas yet been held at Talbex hut it seems certain that the four Artoc representative management of Talbex, Including Mr. Stanley Hunt, the executive chairman, have bought the hulk of the balance of Artoc's stake not acquired hy Yorkgreen. Certain discretionary clients of Kitcat and Aitken bave

# ASSOCD. BISCUIT Associated Biscuit Manufacturers, which recently purchased Smiths Foods from General Mills

also hought sbares.

of the U.S., is now on the take-over trail in Ganada. ABM's wholly owned subsidiary Associated Biscuits of Canada, has completed the acquisition of Dad's Industries for C\$4.62m

Dad's, which has production facilities in Toronto, Regina, Calgary and Montreal, makes a range of high quality hiscults and cookies as well as crisphread

# Fraser trustees reject offer

THE FAMILY trusts of Sir Hugh Fraser have rejected the offer hy a consortium of institutions to huy the 9 per cent stake they hold in Scotish and Universal Investments for 200p per sbare. The trustees repeated yesterday their previously declared intention of accepting the Lonrbo hid for SUITS unless repeated a naw suitor arrived on the scene. The Lonrho hid—one

seene. The Lonrho hid—one Lonrho share plus 115p in cash —was worth 195p on the basis of last night's closing price. Last night Mr. Bruce Fireman, a director of Charterhouse Japhet, the merchant hank which heads the consortium of institutions, said there was no

point in making a further offer since "the effect of the operation mounted last week bad heen to convince shareholders that Lonrho's bld was too low." The institutions originally offered the Fraser family trustees 195p a sbare but when this was turned down the figure

was upped to 200p.

Tomorrow is the first closing date of Lourho's hid for SUITS, which owns the Glasgow Herald.
Whyta Mackay whisky and a 10 per ceto interest in the Harrods store chain House of Fraser. Lourho announced yesterday that it had completed payment of \$74.4m to Carter Hawley Hala for 23.55m ordinary shares in

manufactures yarns and fahrics. has rejected a 38p per share offer hy LARGS on the grounds that the bid represents less than half the attributable net asset value of the company.

Including a surplus on revaluation of land and buildings this is stated at 84.1p per share. The formal rejection document also includes a pre-tax profit forecast of £541,000 (£506,000) for the year to eod-March and the promise of a same again final

John Bright sbares which pushed the Largs stake over the 30 per cent level when it was obliged to mount a full scale hid. Largs is an Isle of Man-based investment

### TILLING SELLS COX & WYMAN

Themas Tilling Group has agreed to sell the capital of Cox and Wyman, its Reading based paper-back printing subsidiary, to McCorquodale and Co., for some £2m cash.

At the same time Tilling has negotiated the sale of Cox and Wyman's Fakenham hook printing and hinding husiness, other than trade dehtors and trade creditors attributable, and a 51 per cent interest in Wensum Graphics to Fakenham Press, which has been acquired by Richard Clay and Co., for a nominal cash consideration.

After taking into account the working capital requirements of Fakenham Press the directors of Clay estimate that the amount required to finance the acquisition will be in the region of £350,000.

GROVEBELL Grovehell Group is adding other Vauxhall and Bedford JOHN BRIGHT

John Bright Group, which assets at the end of October

were £234,217. Grovebell has also purchased a Ford retail dealership, Vandewal, for £17,005 in shares.

### DUNBAR STAKE IN WRB COLEGRAVE

Dumbar and Go., hanker, is taking a 40 per cent stake in W. R. B. Colegrave, a company specialising in ticket leasing transactions particularly in the

shipping industry.
Colegrave was founded by Mr.
Bill Colegrave in 1973 who until the promise of a same and additional of the offer appears to have owner. Recently the company heen determined by the price of has expanded to take a share of

the syndication market for corporate and private leasing. With a view to expansion both in the UK and overseas, Cole-grave is increasing its capital by the creation of £75,000 of new stock most of which will be subscribed for by Dunbar. Mr. David Backhouse, deputy chairman and managing director of Dunbar, Mr. J. H. Golegrave and Mr. J. C. R. Lenton have been appointed to the Golegrave

EXTEL IN £0,25M TRIDANT DEAL

The buyer of the specialist printing divisions of Tridan Group Printers turn out to be Exchange Telegraph.

Extel is to pay £246,000 cash

for the three companies which are specialist legal and professional publishers and stationers. It has paid a further £404,000 for the freehold property used in the hustiness of the companies. The total one of the companies. The total compares with net assets as of last December of £690,000.

Last year Tridant was the subject of a hitterly contested hid by its chairman Mr. Remo

Dipre through his private company Starwest Investments. UlUmately Tridaot was acquired hy Argus Press, hut Mr. Dipre still attempted to acquire the Initially, he offered £850,000

for seveo printing subsidiaries, hut then made a new offer of £375,000 for the three companies now sold to Extel for £650,000. The Takeover Panel demanded that the offer be put to Tridant's former sbareholders, since the offer from Argus had gone through. The shareholders rejected Mr. Dipre's offer.

UNIGATE

Unigate has acquired from the R. H. Thompson Group the capital of Porkshire with effect from April 28. Porkshire will operate as part of the Bowyers Organisation and will "make a valuable contribution to the contribution to the expansion of

# Lyons sale to Johnson Cleaners

to buy Jomes Hayes and Sons, (TDBH) for \$6.6m (£3.2m).
a subsidiary of the fod maou- Mr. Safra is chairman J. Lyons, in a cash deal worth cent of the capital,

James Hayes specialises in the retail of workwear to industrial and commercial companies and linen hire. It has three plants based at Letchworth, Norwood and Acton.

Its turnover and profits before tax for the 11 mooths to March 3, 1979, snhject to final audit, were £2.08m and £198,000 (including £48,000 from sale of assets) respectively. Net tan-gible assets to be acquired were £2m, at March 3, 1979.

Explaining the reasons for the sale Lyons said yithout the hotel husiness, there is no strategic purpose served by retain-lng the Hayes business.

### NO PROBE

The following proposed mergers are not being referred to the Monopolist Commission— British and Commonwealth Shlpping and Common Brothers: Hambros Group/Collett Dickeo. son Pearce International; Ahead of Hair and certain interests of Steiner; the UK interests of Gooper Industries Inc. and the UK interests of Gardoer-Denver

QUEENS MOAT Quens Most Houses, botels group, has bought the Kelvin Hotel, Bournemouth, from a

The company, which approunced sales of £9.7m for 1978, expects its new acquisition to contribute more than £750,000 in a full financial year.

Johnson Group Cleorners, is Development Bank Holding SA Mr. Safra is chairman of TDBH and owns about 65 per TDBH, which has wished for

some time to focrease its stake, now owos 64.8 per cent of The purchase price paid to Mr. Salra was based on the average price for Republic's

shares on the American Slock Exchange on each of the pre-vious 10 days.

### BMF REVERTS TO **BRITISH HANDS** Resulting from Dawnay Day's

investments, British Moulded Fibre bas reverted from American to British ownership. RMF has been taken over by a new bolding company in which the Burrows family, who were the founder members of BMF, own 30 per cent and Dawnay Day 20 per cent.

The seller of 80 per cent of BMF is Mansfield Tire and Rubber of the U.S., which has received over 1 m for its share-

received over Im for its share-holding. The Burrows family has exchanged its existing 20 per cent shareholding in BMF for shares in the new holding company. Dawnay Day provided the holding company with a loan of about Im to coahle it to huy Mansfield's shares in BMF.

### MANOR NATIONAL DISPOSAL

Manor National Group Motors has completed the sale of the Crewe and Nantwich BL dis-tributorships of Oliver Rix. The initial receipt amounts to approximately £745,000 and is in TRADE DEV. BANK
Mr. Edmond J. Safra has soid his 5 per cent stake in Republic New York Corporation to Trade

Approximately 2743,000 and is in transferred to J respect of goodwill and freehold who availe of Wolverhampton fore Mr. Silk payment, currently estimated at 1230,000, will be made on completion of the accounts for (19.4 per ceot).

Crewe Nantwich from January

Funds released from the dis posal will temporarily reduce group indebtedness, pending allocation towards further expansion of the motor business.

### WIMPEY HOMES **ACQUIRES MOODY**

Following an approach, terms Limited by Wimpey Humes
Holdings to proceed.

The acceptance of this offer is
considered by Mr. Moody to be
in the best interest of the con-

pany, hecause the availability of land has been insufficient to enable it to maintain its present level of production.

BLACK AND
EDGINGTON
Black and Edgington has completed the acquisition of Countrywide Leisure Holdings, which has achieved the forecast of pre-tax profits of £125,000 for the year to October 31, 1978. The final consideration now due will be satisfied by the issue of 85,422 ordinary shares (0.46 per cent). The vendors have agreed not to dispose of any agreed not to dispose of any shares in the company altoned to them as part of the considera-tion within two years after completion.

### WOLVERHAMPTON LAUNDRY The offer by T. H. Silk to

acquire Wolverhampton Steam Laundry has lapsed. Acceptances were received in respect of 54,487 shares (4.2 per cent). In accordance with the offer arrangements, Mr. Slik has transferred to J. F. Nash 251,464 shares out of his holding of Wolverhampton sbares. Therefore Mr. Slik is interested in 321,815 shares (24.8 per cent) and Mr. Nash in 281,464 and Mr. Nash in 281 and Mr. Nash in 251,464 shares

# DRG to spend £25m this year

Robinson Group are experienc-ing higher levels of activity, with order books firm and sales well ahead of the first quarter of last year, reports Mr. John Camm, the

He points out that like most British-based companies, the group bas already suffered some lost trade and higher costs result-ing from external industrial un-rest and the exceptional weather at the heginning of the current year. However, the effect on the group's business will be less significant than at first anticipated, says the chairman.

During 1978 tha group continued its programme of re-organisation. Certain businesses have been substantially restructured, leading to a reduction in the size of some operations and redundancies.
Provision of £1.29m has been

made in the 1978 accounts for the halance of the reorganisation effort which will contioue into 1979. The chairman bopes that this will complete the period of retrenchment retrenchment

Meanwhile the group has continued its investment programme. Capital expenditure in 1978 was a record f16m mainly for new machinery, and a further f16m had been authorised by the year end for investment in 1979. Since the beginning of the current year the group has committed additional expenditure mitted additional expenditure, making a total of £25m for planned investment in 1979. Mr. Camm says that although

in 1978 the group bad a cash outflow of £4.8m it still has a healthy ratio of equity to horespecially rowings. account is taken of the £28.64m balance of deferred tax. He helieves that most of this can he released to reserves when the new accounting standard is adonted this year.

With the strong halance sheet and sieable unused hank faciligress provided investment decisions are sound and the group total of 4.82p compared with makes the hest use of the inties, lack of fioancial resources 11.62p.
will not hinder the group's pro-

ALL DIVISIONS of the Dickinson creased productivity these in vestments bring.

At the year end short-term deposits and cash totalled £3.92m (£5.14m) while hank loans and overdrafts were up

from £7.08m to £10.54m.

As reported on April 11 group pre-tax profits finished 1978 9 per cent ahead at £23.83m after a fell from £12.6m to £9.7m in tha first balf. The trading profit of £26.74m (£25.19m) was split as to U.K. packaging £7.01m (£11.2m); stationery propers (£11.2m); stationery papers, adhesive tapes and office supplies £9.52m (£7.93m) and engineering £1.75m (£1.17m); and overseas — Canada £2.06m (£0.49m); Southern Africa £4.39m (£3.04m); Australia £0.69m (£0.22m); New Zealand £0.97m (£1.09m); and other countries £0.36m (£57,000).

The current cost profit before arter cost of sales adjustment £4.3m (£3.8m), additional depreciation £7.9m (£7.8m), less gearing £1.6m (£1.5m). Meeting, Bristol, May 23 at

# Roberts Adlard profit up

From increased turnover of fil.1m against £9.06m, profits before tax of Roberts Adlard and Co., Improved from £553.097 to £819.427 in 1978.

With first half profits up from £250.000 to £305.000, the directors said then they hoped that trading would continue to be satisfactory during the second six months.

six months. The year's profit includes a prior year credit adjustment of £112,800. Tax takes £200,761 (£291,051) giving earnings per 25p share of 17.33p against

# **Rotork Limited**

Valve actuators, instrumentation design and engineering, specialist woodworking machinery and Sea Trucks.

### 1978 - a satisfactory year's trading 1978 15.90 18.85\_ Turnover 3.22 3.30 Profit before taxation Taxation 1.44 Profit after taxation 1,87 1.86 Extraordinary Items, etc. 0.40 0.16 Profit after extraordinary 1,47 1.70 Dividends 0.19 0.28 Retained in business 1.28 1.42

10.2p

1.18p

9.7p

1.31p

### Extracts from review by the Chairman, Jeremy Fry:

Earnings per share

Dividend per share

Group sales in 1978 increased by 18% and profit on trading by 4% over 1977, reflecting the continuing squeeze on margins. A loss on our marine business, caupled with the relative strength of sterling, prevented the group from making further progress. Hawever, we consider that our Engineering divisions' results are still creditable in the context of companies trading in their

The Marine division is expected to operate profitably in 1979, but throughout the group trading conditions are highly campetitive. We have continued to increase our investment in research and development and new products are being introduced in the current year, including a range of pneumatic actuators in the USA.

Copies of the annual report are available from The Secretary, Rolork Limited, Balh BA1 3JQ.

rotork

# Sharpe & Fisher BUILDERS MERCHANTS & D-I-Y STORES **Profits exceed £1 million**

1978 produced record pre-tex profits of £1.2 million, an increase of 33.9% on sales up by 18.8%.

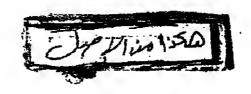
2-for-3 scrip issue.

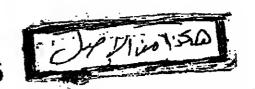
Further planned expansion of D-I-Y stores.

65 If we continue trading at current levels, I am confident we shall have another good year. K. J. Fisher, Chairman.

	1978	1977	1976
	£*000	£,000	£'000
Sales	18,165	15,290	13,799
Profit before tax	1,215	907	852
Profit after tax Dividend per share	857	644	545
(Paid & Proposed)	2.12p	1.90p	- 1.69p
Earnings per share	8.6p	6.5p	5.5p
Asset value per share	64p	39.8p	35.2p

Full details available in the Annual Report on request from the Secretary, Sharpe & Fisher Limited, Gloucester Road, Cheltenham GL51 8PT.





# **Boustead pays** extra 33%

dividend by 33 per cent to mark the 150th anniversary of the disappointing.

profits, before tax, emerge shead from £1.89m to £2.34m. At midway the directors sald that they were expecting a "worthwhile increase" for the full year.

They report that results for the first quarter of 1979 are satis-factory and prospects for the year

Estmings per share are stated to be up from 5.03p to 7.42p and the dividend goes up from 1.5p to ON SALES ahead from £21.71m 2.0p, with a final of 1.3p. A one-to £25.61m, taxable profits of for one scrip issue is also pro-The directors point out that

earnings per share increased by 47 per cent because of a reduced foreign tax charge and a lower level of unrelieved ACT.

1978 1900	1977
Turnover	
Operating profit _ 2,01?	
Investment income 93	
Making 2,105	1.700
Share of masociatoa 219	121
Profit before tex 2,374	1,882
Taxation 992	
Net profit	808
Minorities 483	373
Extraord, debits . 13	
Olvidanda 270	173
Retained 506	266
With firm commodity	

and paim oil crops making up time.
the first half shortfall the The plantation results for the year were satisfactory, they report, The Singapore companies reflect an additional deoreclation showed a 40 ner cent increase charge of £168,500 arising from

ANNOUNCING record profits for Australia earnings were much 1978. Boustead, the rubber and improved in the second hair, oil palm group, is stepping up its whereas the New Zealand eompany's profits

founding of the company.

With the second half showing the UK generated a substantially an increase from £1.06m to £1.4m higher contribution.

# Stylo rises to record £1.13m

Style Shoes, footwear retailer, rose from £964,000 to a record £1.13m for tha year ended January 27, 1979.

At the interim stage the directors reported a lower deficit of £249.816 compared with a previous £349,467. The net dividend for the year is increased to 1.92p net per

25p share—last year's payment is hoosed to 1.74606p with an additional 0.02606p, now payable, on the reduction in ACT.

Tax for the period took £636,000 (2663,000) and minorities £7,000 (same). There was an extraordinary credit of £108,000 against a £52,000 debtt last

pre-lax figures do not compare directly; earnings for 1978/79

# Wadham Stringer moves ahead to record £4m

over well ahead from £141.5m to £198.7m. But the increase in the surplus was trimmed in the

At midway the vehicle distri-hution and retail group had ad-vacced by around £1m. to £2.5m. are up from 8.65p to 9.07p, and Mr. F. C. Stringer, executive fully diluted from 7,87p to 9,07p.

chairman, says that had it not wadham has reached agree-heen for the Ford strike at the ment to huy Boniface and end of 1978, the short supply of Cousins, Austin and Mortis Vauxhall cars later in the year dealers in Fareham, Hants. The and the increase in interest rates, taxable profits would have risen to an estimated £4.5m.

He added that the car mar-ket is huoyant and he is confident the year's results will be satisfactory. However in the early weeks of this year business was hit by the bad weather and the lorry drivers' strike.

Tax for the year is up from £885,000 to £1.09m leaving net profit up 24 per cent at £2.92m. Tumover
Trading profit
Leas prior yr. edjust.
Associated profits
Interes: payable
Profit before tax

Tax
Profit after tax.
Minoritias
Extraordinary dabit

Retained ..... t Credit At the end of 1978 the ordinary shareholders' county interest

Taxation has been reviewed in the light of SSAP 15 and £4.13m written back to reserves for the

years to 1977. A final dividend of 1.356p net

payment, in cash, will be equal to the net asset value shown in the accounts for the year to April 30, 1979. It is anticipated this will be about £150,000.

comment

Aftar a rise of two-thirds at the halfway mark, the 24 per cent annual pre-tax profil improvement by Wadham Stringer must he seen as something of a disappointment. Had it not been for higher interest rates towards the end of 1978, a shortage of Vauxhall models and the Ford strike, which cost some £150,000, the improvement would beve reached 40 per cent. Debt servicing costs are set to fall this year thanks to the finer spreads offered by the new BL stock financing scheme. But pre-interest margins in the second half of last year, against the comparable period of 1977, fell by around half a point and the inference must be that competitive pressures on at least certain

Taxable profits of Wadham assets per 10p share of 77p, com-Stringer jumped from £3.24m to pared with 59p. is confident that it will make a record £4.01m in 1978 on turn-Taxation has been reviewed in good the effects of the transport strike and the winter's atroclous weather while the H. Beare acquisition, after conservative accounting adjustments last time, is budgeted to contribute £210,000. Two new acquisitions are in the pipeline but on a stalic new vehicle registration forecast, the market is scaling its expectations down to no more than £4.3m for 1979. The shares dropped 4p yesterday to 42p where the p/e is 4.6 on stated earnings and a yield of 9 per cent probably offers more sup-

### ACE ASKS FOR SUSPENSION

Construction equipment manufacturer A. C. E. Macbinery (Holdings) asked for its ahares to be suspended on the Stock Exchange yesterday shead of an 1978. announcement from the group. The suspension price was 110p, which valued A. C. E. on the

stock market at £1.7m. Major shareholders in A. C. E. include Industrial and Commerclat Finance Corporation with a holding of 41 per cent: Scuttish Northern Investment Trust with 17.6 per cent: and Estate Duties investment Trust with a near

1978 to finish 34 per cent higher at a record £1,829,000, compared with £1,365,000 a year earlier. Turnover of this Sheffield-based

maker of steel, saws and hand tools, slipped from £38.94m to £38.08m for the year. Interest charge was reduced at £680,000, against £814,000. With stated earnings per 25p shere more than doubled from

10.5p to 22p, the net dividend total la keot at 9.375p with a final of 5.8p (same). unwise to meke any firm predic-tion for the current year as a

whole, but add that it is en-couraging that despite adverse trading conditions in the opening months, management accounts to date indicate profits are satisfac-At the attributabla level, there

was a turnround from a loss of £115,000 to a £785,000 profit for Tax tnek £637,000 1£685,000), minorities £20,000 (£117,000), and extraordinary debits £387,000 (£678,000).

During the year the company restructured its hanking arrange-ments in the UK and hank facili-

ties have been increased. Total borrowings have been reduced by £3.4m and gearing has improved from 76 per cent

3.35 per cent.

Restructured banking arrange- recession in the U.S.—profits provide a reliable guide. to 35 per cent.

AFTER REPORTING a £135,000 ments, together with the much could show further growth. Ar fall et midway, taxable profits of reduced level of borrowings, have 148p the p/e of 6; and yield of Spear and Jackson International considerably strengthened the 9.8 per cent still look reasonable Spear and Jackson International considerably strengthened the pleked up from £348,000 to financial position and offer the £947,000 in the second half of opportunity of controlled growth 1978 to finish 34 ner cont higher in the medium term, the direc-

Second half pickup gives

Spear & Jackson £1.83m

### comment

The latest figures from Spear and Jackson disnell any lingering doubts shereholders might have had in rejecting Hestair's offer. Profits have more than recovered and would have been £100.000 higher but for the recent swength of sterling while the helance otal la keot at 9.375p with a of sterling while the halance inal of 5.8p (same).

The directors say it would be with horrowings down to 53 im funde sesinat 76 per cent a VPRI age Time has proved that shareholders were right to refuse Hestele namer. The company's mping-lighting through in property in through in through the through in processing in the through in the throug Connect to nenting fruitful while the I'K tople side aimed at the huping almost to be build 12 set fund the common is now looking at may areas of expansion North America is a likely field for the inductrial cide while in the TIK further ind histonices could be hand focults the speak hear the builder strike and accuming

# Samuelson Film rise midway

Pre-tax profits of Samuelson Film Service, supplier of equip-ment and services to the film and television industries, jumped from £253,000 to £806,000 in the six months to September 30.

The surplus was struck after depreciation of £310,000 compared with £221,000 previously. The net interim dividend is maintained at 3p per 20p share-last year's total payment was 8.39p on taxable profits of £525,000.

The directors say the figures reflect a very high level of ectivity on the facilities side of the film industry. The second half has seen a return to more normal conditions. UK group equipment rental turnover in the equipment rental turnover in the six mouths to Merch 31, 1979, showed an 11 per cant rise over the same period of the preceding

It is impossible to predict what the full-year out-turn will be, the directors say: It would be wrong

# Matthews Wrightson up against over capacity

Over capacity in world in modification in the arrangesurance markels and the consequent reduction of premium rates creates a more difficult environment this year for all the insurance aubsidiaries of to be made in 1978.

The ACM is on June 4, 1979, the Baltic Exchange. warns Mr. Gordon Henry, the 12 noon, the Baltic Exchange

But, he adds, the group's posttion in North America, with established offices there, "gives us considerable opportunities in.

us considerable opportunities in the longer term."

Commenting on the transatiantic realignments among U.S. and UK insurance brokers Mr. Henry says, "the major American insurance brokers involved in these alignments all emphasise that it is not their intention, nor would it he in their access to the London marker confined to a single broker. ket confined to a single broker.

Stewart Wrightson repre-isents to them one of the largest windependent and non-aligned London-based brokers able to meet their needs, free of the complications inherent to dealing through a broking firm with

1978

1,86

0.23

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evest.

Mr. Henry stresses that apart om the major U.S. brokers there is likely to be a considerable movement of busicess emanating from the many medium and smaller-sized brokers. "All this should be to

ur advantage."
The group is planning to develop its network of 10 offices Commenting on the group's

three nil tankers Mr. Henry says that negatiations with the partnership have progressed during 1978 and it is hoped that shareholders can be informed in the near future of a constructive Air, and Amilyan.

# Winding-up orders

Orders for the compulsory winding up of 40 companies were made by Mr. Justice Slade

were made by Mr. Justice Stade in the High Court.
They were: Jaysheel Firo Safety and Security Services, E. Wilson. Acomb Development.
Azacraft, Broadway Motor Company (I. W.), TAD Shipping Services, Standslead Property Company, Taylor and Hammond, Vatorie Boat Chishians. Valerie Boat Cushions:

Company Formation and Managament Services, Chiswick Quay Marina Services, Impics, S. G. Thaine (Imports), Lines paov; Medtal: Mediainer Line. Medtainer

Austin Smith (Northampton),
First Girl, Chini (Leisure),
Switha Dave Bayes, T. A. J.
Barraclough, T. and D. Flooring.
Kaminski and Son, Fricon
Road Haulage, Centurion Road Haulage, Centurion Developments (Swansea), M. Grant, Mereworth Estates, Ardrahan Coostructioo (Wao-stead), Ingham Heat

Spalding Heating, Peribond, Fleetway Heating, Nashbourne, Masequest, Elstree Landscapes, Haramo Properties, West-Lin

# Sharpe & Fisher confident

Although conscious that the major part of the current year is yet to come, Mr. K. J. Fisher, chairman of Sharpe and Fisher, tells shareholders in his anoual-review that he is encouraged by the group's start and if trading continues at current levels, then he is confident of another good

As reported on March 23 taxshle profits for 1978 rose hy 34.
per cent to a record £1.22m on turnover up hy 18.8 per cent to £18.2m. The dividend is effectively raised to £1175p (1.8963p) with a 1.4175p final.

The chairman says that the main reason for the improve f6.35m.
ment in 1978 was the handling
of more volume within the
group's existing overhead structure. So far in the current year, Meeting, Golden Valley Ho despite tha bad weether, this. Cheltenham, May 24 at nooo.

trend has continued in the builders merchanting division, which accounts for some 90 per

cent of turnover.
The retail DIY side has been more affected by the weather, he states, but he is confident this division will continue to prosper.
"We are continually looking

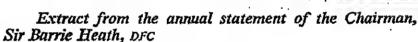
for sites to expand both sides of onr husiness," he says. But he adds the directors' pulicy is still one of careful expansion within the capacity of the group's As at December 31, 1978, the

halance sheet shows fixed assets at £3.58m against £1.7m with total assets up from £3.95m to

Net liquid funds decreased by £224,889 compared with a £118,883 increase.

Meeting Golden Valley Hotel,

# Future growth and profitability



The Company has been moving towards a more concentrated organisation based on strategically selected main business areas, which will provide a firm base for tuture growth and probtability. This period of reorganisation and change is inevitably disruptive and painful in some areas but it is essential to ensure our competitiveness and commercial viability.

Developments in main business areas include the new manufacturing facility to produce automotive components in Sanford, North Carolina, which should be ready to start production by the end of the year. We have taken also a number of moves to strengthen our position in the wholesale and industrial distribution sector including the acquisition of Stern Osmat (housewares, gardening and leisure equipment) and Parts Industries Corporation of Memphis, Tennessee (automotive replacement parts and accessories).

Exports from the United Kingdom showed an increase to £225 million from £203 million in 1977. On a Group basis, sales to the USA totalled some £72 million, an increase of 65% over the preceding year. This fine achievement reflects the success of our automotive companies in enlarging their share of the North American market for vehicle components.

I thank everyone in the Company for their understanding and loyalty and for their tremendous efforts in improving our performance last year.

RESULTS	IN BRIEF	
	1978	1977
		£ million
Turnover	1754.7	1639.2
Surplus before depreciation	157.7	139.9
Depreciation	61.4	56.8
Profit before taxation	87.3	72.3
Taxation	41.6	31.7
Dividends	26,3	23.5
Retained profit	13.3	9.3
Capital expenditure	85.3	70.8



%
· 14
41
20
s 25
100

# **GUEST KEEN AND NETTLEFOLDS LTD**

If you would like a capy of the 1978 Annual Report please write to Guest Keen end Nettlefolds Limited, GPR Dept., GKN Hause, 22 Kingsway, London WC2B 6LG Tel: 01-242 1616 Telex: 24911

# LAMBERT HOWART

Reported figures for the year ended 31st December 1978 include:-

Thrnover Profit before Taxation Profit after Taxation Net Assets employed	1978 £'000 14,110 645 318 3,616		1977 £'000 13,826 474 234 3,089
Issued Capital	600 10.6p 3.50p	,	600 7.Sp 3.1Tp

At the Annual General Meeting being held in Burnley today, members will be invited to declare the maximum Final Ordinary Dividend permitted under present controls, 2.50p per share, payable 14th May 1979.

A wide range of footwear is manufactured and supplied to Marks & Spencer Limited and to leading windesalers, multiple chains and mail order groups in the United Kingdom. Sales for export amounted to £1,644,000 in 1978.

Exclusive distribution rights are held for GANNEX slippers. The Chairman, Mr. C. L. Howarth, has expressed concern at rapidly increasing costs of leather and other raw materials and has reported that competition from imported footwear continues; particularly in the volume markets in which the group operates. Production in 1979 is expected to reach, at least the level of the least year.

least, the level of the last year. LAMBERT HOWARTH GROUP LIMITED

# Nurdin & Peacock tops £5m after dull first-half

AFTER A static first-half Nurdin and Peacock advanced strongly in the remainder of the year. In 1973 the cash and carry whole-aale group pushed taxable profits up from £4.87m to £5.44m on turnover ahead from £214.09m to £237.81m.

The Plymouth branch was opened in November, and the older branches has continued. More branches base been equipped with the mini-computer system, bringing the total to seventeen.

At he way the pre-tax surplus was £1.5m, against £1.52m, on turnover np from £97.1m to to £110m. The directors then forecast a better second balf.

They now state that the decline in cigaretta sales as a proportion of the "mix" and an increase in non-foods lifted gross margins in the secondsix months. This was reflected in the fact that all the profit increase was in that

half.

But the board points out that in 1978 the group bad to contend with the continuing price war, strikes at manufacturers and the direct selling of cigarettes by the manufacturers. The last factor was the sole reason for the lower second-half sales increases.

The new year has atarted well, and sales for the first four months months are up more than 15 per cent. The group is again looking for record sales and

After lax of £1.16m against £2.24m the net profit comes out at £4.28m (£2.62m). Corporation fax payable or on this year's profits is £677.000 (£1.82m). The reduction results mainly from the increased stock hought in December in anticina-tion of the lorry drivers' strike This gave a total tax benefit through stock increase relief of

to seventeen.

branch of 60,000 square feet to replace the two units at Brighton, effectively doubling the sales area. This should be operational in the autumn. Planning permission has beed received at Luton Bedford-shire, for a branch of 80,000 square feet. This will be started shortly with the aim of opening ing it early next year.

As well as the warehouse at Brighton the group is building four more buildings on the same site, totalling 45,000 square feet. One is already lei and the company intends to re-tain these as an investment.

The Board proposes, subject to sbareholders approval, to introduce a abare participation acheme under which an annual sum of up to 5 per cent of net pre-tax profits will be used to huy shares which will be distri-

Nurdin and Peacock's serond balf profits rise of 17 per cent follows a static first six months, when margins on groceries were still very tight. These appear to The net final dividend of 1.1879p per 100 share lifts the closing months despite contotal from 1.85885p, including a 0.01595p tax adjustment, to 2.0879p. Stated earnings before tax are 18.9p (16.9p) and after tax 14.8p (9.1p). about 4 per cent on grocerles and 23.2p

food side, although cigarette sales slumped dramatically as a sales slumped dramatically as a result of direct selling activities by the manufacturers. The bad weather and strikes in January have evidently benefited the company by bringing business back to local shops which buy from Nurdin, but this rally will be short lived. Overall margins will continue to be hard-won but the company's physical expansion should ensure further growth. The shares rose 4p to 101p where the p/e is 6.7 and the yield a

# **Turriff lifts** payment by 23%

well-covered 3 per cent.

As forecast Thrriff Corpora-tion, the engineering and construction group, raised taxable profits in 1978. Tha surplus rose from £1.06m to a record £1.23m on turnover down from £33.87m to £31.95m. And there is a 23 per cent dividend

At midway the pre-tax surplus was up from £350,000 to £455,000 on turnover down £700,000 at £16.1m. The directors then said the decline in turnover was due to a recession in the UK, but they forecast a profits rise. After tax of £215,000 (£274,0001

the attributable surplus is ahead from £793,000 to £1m. Treasury ronsent has been given for dividend increase from 2.3547p net per 25p share to 2.9085p. Stated earnings per sbare are lifted from 18.5p to

1978

£000

246,901

32,83I

30,405

19,503

4,639

102,115

15.5p

3.685p

1977

£000

220,767

29,510

26,720

14,998

4,185

87,714

12.6p

3.32652p

with second half rise

The directors say that good cootributions were earned by all subsidiaries and associates during the year. And providing the improved trading position in the UK is maintained—offset to some extent by the serious industrial disputes outside the company in the first two months

of 1979—the current year should be satisfactory.

Earnings are abown as 9p 115.37p) per 25p share for the year and a final payment of 2.538p lifts the total dividand to 4.638p (4.15715p) net.

Turnover was little changed at £11.36m compared with a previous £11.21m and pre-tax was subject to tax of £178,000 (£165,000). There were also exchange difference deblis of £17,000 (£45,0001. The attributable balance came through at £259,000 meainst £441,000 after an extraordinary credit £32,750 (£50,000), and £126,000 (£324,000) was retained.

comment

Serond-half price rises and a strong ourformance by the overseas subsidiaries helped Anchor recover from the profils noserecover from the profils nose-dive of the first half. The over-all result is 14.5 per cent down on 1977, but the second half rontribution is 31 per cent up at £300,000. Overseas profils are higher by more than a third to account for more than half the total pre-tax figure. In the home market, a general downturn in

DESPITE a second half recovery at Anchor Chemical Company, ehemical and plastic manufacturer, with an increase from £229,000 to £300,000, taxable profits for the whole of 1978 were down from £601,000 to £422,000, and were after an exceptional debit of £31,000 against a £71,000 credit. out the year hut in the three newer plants the figure crept up from around 68 per cent (break even is 65 per cent) to somewhere around 80 per cent hy year end. The shares, unchanged at 71p. have a stated p/e of 7.6 pects for 1979 are bright pro-vided raw material supplies are

# **Phoenix** insurance funds rise

TOTAL INSURANCE funds of Phoenix Assurance, expanded by over £100m in 1978 from £782m at the hegiming of the year to general insurance funds ex-panded by 6 per cent from £367m to £390m, while long-term funds rose by nearly 20 per cent from £414m to £495m.

rasultiog in heavy claims and a substantial loss. The UK motor account, also hit recorded losses. Rate increases have been made on house con-The fire and accident account recorded an underwriting loss of £2.7m in 1978 against a loss of £0.5m in 1977. The UK account had a loss of £4.3m and a further

# **GKN** expecting Some recovery at Anchor better year

The lollowing companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually hald for the purpose of considering dividends. Official indications are not available as to whather dividends use interims or finals and the out-divisions shown below are based mainly on lost year's treatists.

TODAY
Interims—Nanonal and Commercial
lanking, Safeguard Industrial Invest-

rasiongori nuober, kuale Selangor Rubber, Laporte Industiles, Macdonald Mertin Oisrilloneo, Macchester Linera; Peningular ond Oriental Steam Naviga-

tents cover and on motor pre-

miums. The commercial fire and

coosequential loss business had a satisfactory level of profit despite severe competition.

In Europe, underwriting losses continued in the Nether-

lands and Belgium and some fundamental organisational

changes have been made. Losses

persisted in Spain, while there was a reduced underwriting profit in Denmark and a deterioratioo in Greece. Agency operations in other European

operations in other European countries made a positive contri-bution. In the U.S., the under-writing improvement begun in 1977, continued in 1978.

On long-term insurance, pre

mlum income advanced by 75 per cent from £54m to £95m and in-vealment income by 50 per cent from £29m to £43.5m. Claim pay-ments shot up from £29m to

£54m, while commission and ex-

penses rose from £14.4m to £25.5m. This latter feature re-

flected the buoyant new business in the life field when oew annual premiums jumped 42 per cent.

Wilshaw Sec.

A turnround from a £324.477 loss to a taxable profit of £83,530 was staged by Wilshaw Securites in the first-half to January 28, 1979.

At the year-end the loss stood

at £261,000, against a £112,000 surplus. The deficit was reduced

by a Government temporary em-

ployment subsidy from which the

In his last annual statement the

group has continued to henefit.

chairman said the loss was due to the cancellation of some con-

iracts. The company now says it has taken steps in overcome the difficulties caused by these

Turnover for the half-year went

ahead from £454,573 to £694,333, and tax takes £43,400, compared with £112,500 credit.

There was no dividend last

year. The previous year the group made a single payment of

1.32p net per 25p share.
The comounty makes hydraulic

Scottish lovestment Trust bus

presses and equipment.

INVESTMENT

SCOTTISH

Trust of New York.

cancellations.

in £0.41m

turnround

oro .....

Feedex .. Mose 2ros

inc general and civil engineering division responded well to an improved trading climate and elimination of unprofitable activities and showed a sharp advance.

The chairman says that The chairman says that although the huilding and construction market showed a slight

struction market showed a singlet upturn in the UK, outpot remained about 25 par cent helow its 1973 peak. Demand in 1979 is not expected to rise much shove last year's levels. Despite the unfavourable world eronomic climate the chairman feels that the results achieved in 1978 indicate that the group is climbing back towards acceptable returns in some areas of the business both in turnover and capital

employed. moloyed.

Despite difficult market rondly we concluded that there was no possible to the point in making a final appeal to Despite difficult marker rodultions brought about by the strengthening of sterling, exports from the UK again showed an increase totalling £225m against £203m. The principal export markets for UK based companies were the EEC £67.8m; the U.S. £51.5m; and Sweden £27.1m.

On the group hasis asles to the U.S. totalled some £72m, an increase of 65 per cent oo the previous year. The chairman explains that this achievement

AFTER LIFTING profits from reflects the success of the auto-572m to £87m in 1978 Sir Barrie motive companies in enlarging. Heath, chairman of Guest Keen their share of the North Ameri-and Nettlefolds says ba is ron-can market for vehicle com-

fident that the group will do even ponents.

In the UK the transmission better in the current year. Reflecting a strong showing in Germany the motor components side managed to absorb a aecond half setback in the UK in 1978.

The general and civil engineering division responded well to an then its position in the wholesale and industrial distribution sector, and in October acquired Stern Osmat. The group recently

> and replacement parts business hy acquiring Parts, Industries Corporation of Memphis,
> Referring to the group's about tive efforts to acquire Sachs in West Germany the chairman says that this sags ended when the group sold the 24.98 per cent bolding in Sachs at the beginning of 1979 for a antisfactory profit The chairman reported last year, that the West German Supreme Court decided against the group and after much consideration

signalled its intention to expand the automotive and accessories

the Minister of Economics."
The chairman says that the eroup is going through a period of reorganisation and change as it concentrates activities on the main products businesses that will carry the group through the nevt decade.

The report shows that the group again contributed £25,000 lo the Conservatives.

See Lex

THE THARSIS SULPHUR & COPPER CO LTD

The Annual General Meeting of the Company will be held on Wednesday, 23rd May, 1979 in the Hotel Lancaster, 7 rue de Berri, 75 Paris (8). The following features are from the circulated-statement of the Chairman, Mr. Frédéric Velge.

It is with great regret that I have to report the sudden death last-December of our Chairman, Mr. James C. Robertson. As many of you will know, Mr. Robertson had a most disringuished career in the shipping and mining industries. He also played an important role, in public life in Scotland as a member of the Royal Company of Archers the Queen's Bodyguard in Schrland, and as Lord Lieutenant of the County of Dumbarton. He was held in high regard, not only by his colleagues within the Company but by all with whom he came into contact throughout the business world. I tender to his family condolences on behalf of all the members of the Company.

As recorded in the Directors' Report substantial orogress has been made towards compliance with the requirements of the Spanish Mining Law of 21st July, 1973 and It is anticipated that the reconstruction of the Company will be completed during 1979.

It is intended to seek the approval of the shareholders at the Annual General Meeting to the transfer of the mining and industrial assets. of the Company to Compania Española de Minas de Tharsis. S.A. and a resolution to this effect is included in the Notice of Meeting.

The profit on normal trading amounted to £939,257 after taxation compared with £690,552 in 1977. During the year the Spanish Authorities determined the compensation to be paid to secure the early retirement of a substantial number of employees. To obtain taxation relief on this charge it was necessary to set it against the 1978 profits and this has produced an overall loss of £807,694. Your Directors considered that it was in the long-term interest of your Company to take this decision. The tonnage of pyrites shipped showed an increase on the previous

year and was a record in the history of the Company. There were no labour disputes in 1978 but several days' production was lost during January and February of 1979 due to strikes which occu during the negotiation of a new wage contract. was finally signed to the satisfaction of all parties.

An increase in the internal sales price of pyrites of some 14% was authorised in March. 1979 which should help to offset the Increase in wages and other costs.

During the first quarter of 1979 the pyrites shipments were maintained at a satisfactory level and it is expected that our sales in 1979 will probably match in volume those of 1978.

Regarding export sales I am pleased to report that we have signed in 1979 a five-year contract with our traditional flelgian custon

# 16,500sq.ft. EC2 **New Air Conditioned Offices** 100yds from Bank of England and Stock Exchange

arranged un increase in ils linc of credit with Morgan Guarantee St Quintin Charlered Vintry House, Queen Street Place.

This now antuunts to U.S.S. 16.5m which may be drawn in various currencies. At April 30 1979 the equity of \$8.6m had London EC4R tES Tel: 01-236 4040

Richard Ellis Chartered Surveyors 64 Coinhill, London EC3V 3PS Tel: 01-283 3090

# Group results a record for fourth successive year

Year ended 31st December

Turnover

Profit before tax

Shareholders' interests

Earnings per share

Dividends per share

Profit after tax

Dividends

Exports

'With the innate strength of the Group...our aggressive selling policy... our never ending drive for more and more efficient low cost production ...and our relentless pursuit of technological advancement through research and development ... I have very great confidence in the future.' Peter Goodall (Chairman)

Other salient points from the Chairman's circulated statement

We are bringing into production major improvements which constitute nothing more nor less than a technological lead which should have a profound effect upon our business not only at home, but also overseas."

] We feel that true growth can only be based un our ability to out-perform the competition both at home and overseas, and this we intend to do in the future, through our technology as we have done in the past.

[] 'Irrespective of the sagging economy in the U.K. and the annalling self-inflicted wounds from which we as a country are suffering, this Group remains firmly embarked on a policy of growth wherever that growth-may be.'

Wherever we may be called upon to operate, the opportunities are as great, if not greater, now than they ever were. The challenge is with us; it is our job to take it up and meet it."

The Annual General Meeting will be held on the 16th May in London. Copies of the Report and Accounts can be obtained from the Secretary, Genefax House, Tapton Park Road, Sheffield \$10.3FJ.

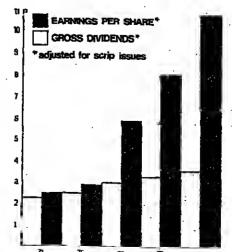
HEPWORTH CERAMIC HOLDINGS LIMITED

The Leaders in cleyware, refractories and industrial sands and prominent in plastics, foundry resins & equipment, enginearing etc.

# BANRO CONSOLIDATED INDUSTRIES LIMITED

Profits exceed £1 million for first time One-for-ten scrip issue.

66 Despite the disruption caused by the haulage strike earlier in the year the indication at present is that the result for the first half of 1979 should not be less than the corresponding period lest year. Edward Rose - Chairman



I have pleasure in announcing a record pre-tax profit of £1,074,328 for the year ended 31 Dec. 1978 (1977 – £911,502), an increase of 17.86%. Turnover has increased by 16.3% from £12.69m to £14.76m. A maximum permitted total dividend of 2.41732p per share is recommended

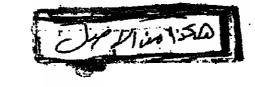
together with a capitalisation issua of one ordinary share for every ien ordinary shares Order books are sound and have been

strengthened by a contract from South Korea, A joint ventura operation has been formed in the U.S.A. - Edward Rose Mfg. U.S.A. Inc., this is the first venture into overseas manufacture and has excellent long term trading potential.



Based in the West Midlands, the principal activities of the Group are the processing of metal in cell form, electroplating and the manufacturing of cold rolled sections, motor car, commercial and off highway vehicle body components, and decorative trim for the domestic appliance and motor industries.

Subsidiary Companies: William Bate • Plated Strip (International) • Persecunite • Edward Rose (Birmingham) Edward Rose (Talford) · Edward Rose (Sections)



NORTH AMERICAN NEWS

# **RCA** sees upturn despite fall at NBC

RCA CORPORATION expects an upturn in results for 1979 despite an expected setback at the National Broadcasting Company subsidiary and substantial spending on its video disc pro-ject. For 1978 as a whole, RCA had net income of \$278.4m or 3.65 a share on sales reveoues 5 of \$6.64bn.

The company's chairmao, Mr. Edgar H. Griffiths, told the annual meeting that during the first quarter, RCA's colour and black and white television sets captured first place in market share for the first time since

Mr. Griffiths said that the expected substantial downturn at NBC was a result of very low ratings for the last month or so.- In the last annual report, RCA had predicted that NBC's earnings for 1979 as a whole would show the beginnings of an improvement.

NBC's pre-tax profit in 1978
was down from \$152.6m to

Mr. Griffiths said that despite Press speculation that RCA might fire NBC's president and chief executive Mr. Fred Silverman as a result of the continued low ratings, both Mr. Silverman of NBC, retained his support.

# NY Insurance Exchange to invite members

ίß

NEW YORK - The New York Insurance Exchange will begin accepting applications from prospective uoderwriting and broker members from tomorrow, Mr. Maurice Greenberg, chairman of the initial board of governors

Mr. Greenberg told a public meeting that the exchange, moddelled on Lloyd's of Loodon, is expected to begin operations late this year or early oext

The members, ooce selected. will vote on a permanent board of governors as the next step before beginning operations, he

select a permanent location and medium scale digital computer determine the start-up date. Mr. Greenberg, who is presiduct will be the most powerful dent and chief executive officer processor in Harris's line of of American International Group, medium scale computers, he Inc., said that within the first added. 18 months of operations starting up the exchange expects to earnings growth to continue in generate more than \$100m in fiscal 1980 due to an onusually oew capital from the under bigh backlog of orders, Mr. oew capital from the under-bigh backlog of writing members, each of whom Boyd said.

# Greyhound recovery under way in first quarter

FIRST-OUARTER from Greyhound Corporation, \$51.4m Earnings are expected profits. whose interests range from the to stage a recovery this year, operation of the largest hus and market sources have sug-system in the U.S. tu Armour, gested a year end total of the major meat and poultry pro- around \$1.95 to \$2.00 a share. cessor, show signs of the hoped cessor, show signs of the hoped Revenues for the year have for recovery in earnings from been predicted oo Wall Street the depressed levels of 1979.

Net earnings for the quarter 1978's \$4.36bn. ahead.

as likely modestly to exceed increased by 30 per cent to This would reflect largely \$9.5m, with earnings a share up contioued elimination of unfrom 17 cents to 21 cents. At profitable meat processing \$1.1bn, sales are 22 per cent plants, although there should also be better results from the Last year's earnings total was consumer products, food serhit by the closure of three vices and other sectors-with

earnings ing a pre-tax charge of some provide about one-third of

Results from the bus operations, which include regular route, charter and tour intercity services, as well as airport ground traffic, sightseeing and travel agencies, have been unimpressive in recent years and the general investment view is that 1979 will not bring any

chaoge in this picture. The big hope for the immediate future lles in the hope of an upturn io the food business, which in 1977 provided about a half of the group's slaughterbouses and the related the ootable exception of the revenue total, but only 7 per meat processing plants, involv- bus operations, which currently cent of earnings.

# Kennecott looks for sharp rise

300 per cent rise in first quarter 1979 net income to \$21m or 64 cents a sbare, Keonecott Copper Corporation, the leading U.S. copper producer, expects results for the full year to be the best at since 1974. Mr. Thomas D. pro Barrow, the chalrman, told the

annual meeting. Kenoecott in 1974 had operating income of \$168.6m, which excluded an extraordinary gain

between 12 and 15 per cent,

To achieve this goal, Mr. Barrow said that heavy capital investment will be required. He said Kennecott Is developing plans to build a new plant at its Chino, New Mexico, property, for concentrating and

operating costs for total production at Chino by some 20 to 30 tion costs further. cents a lh, he added. The directors w

Mr. Barrow also repeated an carlier statement that Kennecott's corporate goal is to achieve a return on asserts Chino investment is being discussed.

which would yield earnings of considering a \$15m investment 15 cents a share. some \$12 to \$13 a share by the at its Nevada facility to extract Reuter

copper from the tailings pond. The Nevada facility, which was closed last year, would pay for the new investment within a year and become the lowestcost copper producer in the U.S., he said.

Mr. Barrow said that the comsmelting copper ore.

The new facility would reduce Utah also needs to be modernised to reduce produc-

The directors will meet later this month to consider the combut could pay for itself in three Barrow said he is "certain a years. A financing plan for the change in dividend level will be

developed, he said.

He also sald that Kennecott is n regular quarterly dividend of

# Harris confident of improvement

NEW YORK-Harris Corpora-1979 fiscal year to rise by 20 per cent to \$2.40 a share compared with \$2.11 in fiscal 1978, the chairman, Mr. Joseph A. Boyd,

Sales for the year eoded June 30, 1979, would approach \$1bn, up from \$872m in fiscal 1978, be told analysts.

Mr. Boyd said that Harris The permanent board would expected to announce a new in a few weeks. The new pro-Harris expects its 20 per cent

was he said that at the end of tion expects its oet profits in the the third fiscal quarter it was sioo in the distributed data about \$100m ahead of the level a vear earlier. Mr. Boyd said that Harris

boped the introdoction of its new medium scale digital computer next month would help the company regain its growth rate in computers. He said that Harris's computer sales showed "nominal growth" this year because of new product introby lote Machines, ductions Ioternational Business Digital Equipment. Hewlettbas '

In answer to questions, Mr. Boyd said Harris would have a negative cash flow of about \$40m. Cash flow would not be positive "for several years," but the company had about \$100m lo cash and about \$80m of unmust provide a minimum of Although he declined to used bank credit lines currently June 30. about \$3.5m. specify what Harris's backlog available, be noted. Reuter

Harris expected solid expan processiog market and was also experiencing strong demand for satellite and semi-conductor products, especially in the U.S. and Europe, Mr. Boyd added. Sales in the Middle East and

Africa have been slowing, bowever, and Harris recently lost some orders in Iran, be said. He added that the Middle East market was expected to pick up Mr. Boyd said that Harris

iotends to offer word processing equipment for offices, including stand-alooe terminals and high performance controllers for communications and electronic He said that the company

would probably decide when to eod of the current fiscal year,

# Domtar boosts quarterly earnings

By Robert Gibbens in Montreal

DOMTAR, the major Mootrealbased building materials, pulp and paper packaging group, reported oet earnings of C\$22m (U.S.\$18.7m) or C\$1.48 per share in the first quarter against C\$8.8m or 58 cents per share the year carlier.

The company attributed the gain to exchange profits, higher volume in pulp, fine papers, newsprint and packaging, and the contribution from gypsum wall board roanufacturing in the western U.S.

Higher selliog prices more than offset lower volume in chemical products.

# Gains forecast by U.S. Steel

PITTSBURGH — Mr. David M. Roderick, the chairman of U.S. Steel Corporation, said that he expects profits of the company's five businesses to show improvement this year

over that of 1978. The company does not expect the steel haulers strike which was recently settled to hurt second quarter profits

U.S. Steel had lost between 250,000 and 300,000 tons of steel shipments in April and these were expected to be made up in May, providing the strike was "really settled."

Costs were continuing to rise but there was no room under President Carter's price guidelioes to increase steel prices this quarter.

### **Edper raises** Brascan stake

TORONTO - Edper Equities bought 3.3m Brascan shares on the opeo market yesterday. The company, which pre-viously held 1.3m Brascan shares, said the purchase increases its interest to 18 per cent of Brascan's stock, Edper Equities plans to

requisition a special meeting Brascan shareholders to consider Brascan's proposed offer for F. W. Woolworth. Edper, which opposes the Woolworth bld, said it bas pledges of support from Brascan bolders representing a further 15 per cent of Brascan's shares. It said this support came " without solici-

Meanwhile. Brazil's congress has formed a commissloo of loquity to tavestigate the government's \$380m parchase of Brascan's 83 per ceot share in ooe of the country's major electricity companies, Light Servicios de Electricidade, last January.

# Republic of Gabon seeks \$70m Eurocurrency loan

rency markets via a seven-year spread of 4 per cent.

includes a three-year grace thre years and 12 per ceot there-Banque Nationale de Paris,

Citicorp and Continental awarded the mandate. funds will be employed in financing the trans-Gabon rail-

borrowing \$150m over seven remainder, years to finance offield explora- Carrying

deposits and profits

BANCOMER, Mexico's leading to 133bn pesos. Holdings in

The volume of Bancomers' almost nine times to 4.3bo credit increased by 31bn pesos pesos.

PITTSBURGH-The chairman tured products more than offset

of Koppers Company, Mr. a decline in the steel plant con-Fletcher L. Byroo, said that struction business.

ness in the economy, secood to speod \$175m on capital

quarter sales and earnings improvements, compared with appeared to be "modestly \$144.5m last year, Mr. Byron better" than in the same period sald.

Mr. Byron told the anoual Mr. Byron said there were no meeting that on March 31, the imediate plans for acquisitions, company's order backlog totalled but the additional shares would

Orders rise at Koppers

BY WILLIAM CHISLETT IN MEXICO

private bank, has reported a net

profit for 1978 of 1.5bn pesos

(\$66.3m) against 874.3m pesos

(838.6m) in 1977. Part of the

71 per cent increase is due to

the different makeup of the

balance sheet, which now reflects Bancomer's consolida-tion of its branches. And also its

function as a multi-service

Deposits increased by 32 per

cent to 125.6bn pesos (\$5.6bn).

Total assets rose by 31 per cent

to 155bn pesos (\$6.8bn). Capital

and reserves rose by 1.4bn

Last year was spectacular for Bancomer, as it was for

all private banks, reflecting the

restored confidence in the peso

after its devaluation in 1976, The increasing oll discoveries

have played a vital part in this

although he saw signs of weak-

or 84 cents 'a

earned \$21.1m.

sbare, on sales of \$4019m.

ago. He said that a 24 per cent

increase in orders for manufac-

recovery of confidence.

pesos to reach 5.1bn pesos.

seeking \$70m in the Eurocur- year grace period, carries a

Three banks will arrange the Margins on the facility, which credit-Abu Dhabi Investment Company (acting as agent hank). period, are 12 per cent over Gulf International Bank and the interhank rates for the first Al-UBAF group. Morgan Grenfell is acting as finaocial adviser to Oman oo the Ioan:

The Moroccan state ogency, Office Chérifien des Phosphates, bave been jointly is to raise \$200m over 10 years for further development of the country's phosphate industry. The spreads involve a per cent way and other priority projects. for the first three years of the In the Middle East, Oman is loao, rising to 1 per cent for the

Carrying the guarantee of the

Government securities and

deposits at the Banco de Mexico.

pesos as against 45.5bh pesos in

offered 25m shares to the public.

with a nominal value of 32.50

pesos each. The entire issue was sold in less than 10 hours

and a second offering involving

35m shares was made. Ban-

comer's shares were quoted at 53.50 pesos last week. The

annual general meeting authorised the payment of a

Bancomer's atockbroking house La Casa de Bolsa Bancomer, increased its assets

from 11m pesos to 5008bn pesos

last year. In 1977, the moothly

average of buy-sell operations was 180 and in 1978 an average

1,800. The value of 4,3bn pesos

transactions was increased by

For the year, Koppers expects

Shareholders at the annual

There are

to 60m from 40m.

dividend of 15.1 per cent.

Bancomer

meeting

During 1978,

THE REPUBLIC of Gabon is tion. The loan, with a three- Kingdom of Morocco, the facility will be managed by the Al-UBAF group. Credit Lyonnais and Barclava Bank International. The Chilean state steel combine Companhia det Acero del Pacifico is returning to the market for a \$42m cight-year

syndication. The spread is per cent. Grindlay Brandta Ltd is now formiry a management group. A further tax-sparing credit is being arranged for a South Korean borrower, Hank Syn-thetic Fiber, under the guaran-tee of the Korean Exchange Bank. The eight-year facility carries a spread of ; per cent.

and the sole manager is Samuel

Mexican bank increases

### EUROBONDS

### Prices lower on U.S. interest rate fears

By Our Euromarkets Staff EURODOLLAR bonds cootinued to drift lower yesterday in trading made uncertain by the direction of current U.S. Federal

Reserve monetary policy. Prices shed up to ! point, although the holiday closure of many European centres con-tributed to slow business activity.

The Eurodoller bond market appears to he developing a much more bearish atmosphere wit-nessed by a growing list of quality bonds which are now starting to yield over 10 per cent. according to dealers. Despite these returns, most investors show little appetite for buying.

Issues displaying yields of 10 per cent or more include the Finland 9! per cent issue of 1986, currently returning 10.04 per cent.

The Canadair 81 per ceot of 1983 yield 10.02 per cent. Export Development Corporation's 93 oer cent of 1984 10.10, and Sweden's 9! per cent of 1986 Yanyee issue 10.05 per cent. Elsewhere, Eurosterling Elsewbere, Eurosterling straight bonds lost up to point, reflecting a sympathetic

weakness with the British stock

Oo the oew issue froot Nacional Financiera (Naficsa). the Mexican development financing ageocy, is reportedly exploring whether it can tap In the 1978 second quarter, meeting approved ao increase in the floating rate note market oo the engioeering and wool group the authorised common shares the same terms as major banks. in Deutsche-Mark

about 26m shares outstanding. private placement has been arranged by the Mippon Hous-ing Loan Company. The five-year issue carries a coupoo of \$749m. up from \$716m a year most likely be used for this 67 per cent, and pricing of 997. Lead manager is Bayerische Vereinsbank.

# **BANKING IN CHICAGO**

# Battle for small business clients

BY MARALYN EDID IN CHICAGO

to smaller customers

sized business community.

Northern Trust, the city's fourth largest bank and national operations. American number 35 nationally, recently National is the city's fifth decided to alter its image as largest bank in the city and a banker to Chicago's giant corporations, and will now concen-trate its attentions on the other end of the market. LaSalle National Bank, ranked number six locally and 190 nationally, says it wants to be "the bank to Chicago companies" and has identified 10,000 manufacturers within a 75-mile radina of the city it would like to add to its

Manufacturing, wholesale, retail, warehousing and service companies with sales ranging from \$1m to \$100m are the hackbone of the area's economy. And, from the hanker's point of view, they are loyal and profitable customers.

Small businesses are desirable clients because they tend to establish long term and personal. banking relationships, as compared with larger companies which usually maintain contacts with several financial institutions. The six banks would claim that they can offer the entire spectrum of business and personal banking services, including cheque and savings accounts, working capital and expansion loans, cash managemeot and estate planning. In fact, the bankers try to

persuade new customers who are seeking a businesa loan, for example, to make a full service We cross sell our services,"

CHICAGO'S six largest hanks says the president of American around 14 per cent interest on bank is considered one of the are canvassing for customers in National Bank and Trust, which the local small and medium is owned by Walter E. Heller aod Company, the commercial finance company with inter-

> number 102 in the U.S. Bankers' interest in the smaller end of the market is also prompted by the spread of

bank loaes.

Joining Continental, Northern Trust, American National and La Salle in the race for small business clients, is First National Bank (number two locally and 10 nationally) and Harris Trust and Savings Bank (number three and 29, res-

pectively). Because each hank offers a

foreign banks (about 50) and similar range of services, winn-Small and medium-sized businesses in Chicago are benefiting from competition for their custom among local and other banks. Price packages traditionally reserved for the largest and most creditworthy borrowers are becoming available

loan production offices of banks ing the custom of small business-from other U.S. states into the men involves convincing them city. A senior vice-president at Continental Illinois National Bank and Trust, the city's largest financial institution and the nation's seventh largest, says that these onisiders have lured away some of the business of Chicago's major corporations from the largest local banks by offering attractive prices for

loans and services. reserved for the largest and most credit worthy borrowers. such as top and bottom limits to interest rates on loana, are now becoming available to smaller

that the bank's product is of special interest. The success of that strategy leans heavily on banker-customer rapport. And the bank's ability to respond to

the customer's needs. Harris, American National and LaSalle have traditionally identified smaller, privately held corporations, as their primary and most desired customers. Not surprisingly, small and They say they are well-placed medium-sized businesses are to service this end of the benefitting from the competition market, because they are smaller tion. Price packages usually that the giants—Continental overshadowed by larger clients:
reserved for the largest and and First National—but large And First National has receotly enough to provide the same ser- lost some smaller esutomers who

conservative image and forging organised its local lending customers. Borrowers are paying a path as an aggressive regional apparatus.

most formidable competitors for the local smaller clieots. American National pro-motes itself as Chicago's "hank for husiness" and ranks close to Harris as a force in the market place. And LaSalle is just beginning to make its presence felt. Algemece Bank Nederland is awaiting final approval from U.S. regulatory authorities for its proposed purchase of LaSalle from local

Northern Trust, which is probably Chicago's most cooserva-tive financial institution, could become a major cooteoder in the market-place. To gain a toehold, it will promote its solid reputation as a leader in noncredit banking services, such as cash management and over seeing trust accounts.

Ironically, Continental and First National also stress the virtue of their size, which they say enables them to provide smaller business clients with the widest range of services with the greatest expertise. And, despite the dominace of major corporations in their customer portfolios, they claim they are committed to servicing

business community. Small business owners have been known to avoid Continental because they feel intimidated by its size, and fear heing did not appreciate being shifted Harris, which is shaking off its around while the bank re-

# AMERICAN QUARTERLIES

AMERICAN GENERAL INSURANCE	BEKER INDUSTRIES	ELECTRONIC DATA AYSTEMS	KRDEHLER
First quarter 1979 1976 Revenue 442.9m 402.4m Net profits 37.66m 34.99m Not per share 1.3 1.18	First querter 1979 197  Revenue 49.07m 48.07  Net profits 19.79m /2.32	m Revenue \$ 5.0m 57.0m Net profits 6.0m 4.5  Net per share 0.46 0.  Nine months	m Revenue
AMERICAN STANDARD	BROWNING-FERRIS INDUSTRIES	— Revenue	m PETROLAÑE
First quarter 1979 1978		8 Net per share 1.33 1.	10 Second quarter 1979 197
Revenue	Net profits	## First quarter 1573 197 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	Nat per snare
Revenue 206.2m 150.5m	CHARTER	HOBART .	UNION OIL OF CALIFORNIA
Net profits	First quarter 1979 1976 \$ \$ Fewerum 529,8m 406.7	m Revenue	m Revenue S 3 m Not profits
Net per share 290 2.64	Net par share 0.33 0.	14 Nel por share 0.56 0.1	28 Net per share 2.60 1.



# Frizzell Group

# "After a good year in which pre-tax profits rose 21% we have made a satisfactory start to 1979"

reports Norman Frizzell, Chairman of The Frizzell Group in his statement accompanying the Report and Accounts for the year to 31 December 1978

\*Increased income-up 23% to £11.314 million from £9.178 million.

**≭** Increased pre-tax profits—up £387,000 to £2.216 million-reflect a good year for the Group.

\*There was satisfactory overall profit growth by our UK insurance broking companies.

\* Marine Insurance Brokers—now trading as Frizzell Hicks Ltd.—acquired in May 1978.

**★** Underwriting results for the 1975 account were excellent.

\*Our Credit Finance company—Shawlands Securities Ltd.—once again increased turnover and profit.

💢 A prominent firm of money brokers, Udisco Brokers Ltd., was acquired in February 1979 continuing our policy of strategic acquisition.

\*After a satisfactory start I believe we shall achieve a good result once again.

Copies of the report and accounts are available from the Secretary

Registered Office: Frizzell House, 14-22 Elder Street, London E1 6DF

# Banco di Napoli returns to profit after heavy loss

Italy, yesterday reported a the benefits gained from the return to profits in 1978. The overall declared earnings of 12.7bn (\$3.2m) contrasts with a record loss of L10.7bn (\$13m) the previous year.

The latest result reflects a profit by the bank alone of L1.7bo. In addition, its activities in the public works and industrial fields, and specialised agrieultural financing yielded a further L1.7bn, only partly off-set by losses of L700m registered on loans granted agaiost assets pawned.

1977 loss, virtually unprecedented among Italian banks in which the state has a controlling interest, was a consequeocc of serious management problems, and strains arising from Banco di Napali's close statutory link with various local gencles in the cbronically indebted city of Naples.

Last year's improvement follows major measures introduced from L118bo in 1977, and the

favourable interest rate position through 1978, in sharp contrast with those of the previous year.

The L1.7bn profit achieved by the bank alone comes after total provisions of L35bn, including one of L19.4bn against bad debts. The total of similar pro-visions in 1977 reached no more

The generally healthy year for major Italian banks was underlined yesterday by a 27 per ceot increase in net profits to L9.6bn (\$11.4m) reported by Monte dei Paschi di Siena, one of the biggest public-sector banks, which further increased its weight in 1978 with the acquisition of a controlling interest in Credito Commerciale. formerly owned by Sig. Carlo the financier and industrialist.

Gross profits rose to L135bn

BANCO D1 NAPOL1, the largest by Sig. Paolo Pagliazzi, the bank allotted L65bn to its bank's president However, the special reserve, against risks. At the special reserve, against risks. At the special reserve, against risks and the same time the lotal of the special reserve, against risks and the same time the lotal of the special reserve, against risks and the same time the lotal of the special reserve, against risks and the same time the lotal of the special reserve, against risks and the special reserve. special reserve, against risks. At the same time the lotal of funds administered by Moote dei Paschi climbed by almost 22 per cent to over L10,500bo

(\$12.5bn).

A leading privately-owned bank, Banco Ambrosiano. has declared net profits up by 12 per cent at L8.9bn, while overall deposits jumped 25 per cent to L4,000bn. The dividend goes up to L330 from L300 per share, and a capital icorease to L30bn from L21.6bn is planned, part of which will take the form of a one-for-oine scrip issue.
Meanwhile, Moodadori, one of
Italy's largest publishing con-

cerns, has announced it is resuming the payment of a dividend after a three-year absence. Holders of private stock will receive L120 per slock will receive 1.120 per share, and ordinary share, holders a dividend of 1.100. Profits reached 1.5.2hn, compared with a 1.280m loss in 1977, on sales 17 per cent higher at 1.246bn.

# German chemical group ahead

BY GUY HAWTIN IN FRANKFURT

noted by Hoechst AG in the final quarter of 1978 rontinued into the first quarter of the current year. The company, parent of whole bas managed to lift sales the major West German during the first quarter by 5.6 chemical group, saw pre-tax per cent to DM 6.21bn (\$3.2bn). earnings clinib 23 per cent Sales of the group's domestic above a depressed comparable three months of 1978.

However Professor Rolf Semmet the group's chief executive, warned that the current year remains fraught with risks. The group, be said, would have to take exhaustive measures to work as rationally and cost-effectively as possible. Even so, tha second quarter of the year "sbould continue to improvement in

Among the risks that Hoechst, together with its competitors, improved to faces is further currency in- 6.9 per cent.

By Our Amsterdam

THE STRONG upturn in profits stability with more than 50 per cent of the group's busioess operations led the upturn with turnover up 11.2 per cent to

DM 2.19bn. Foreign sales increased by 2.8 per cent. Figures for Hoechst AG present a picture of strong sales growth. Both domestic and overseas sales were up 10.5 per

proportion of sales were maintained at 50.2 per cent. profits totalled DM 193m com-

improved to 7.7 per cent from

Prices for energy and raw materials were continuing the rise noted in the aecond half of last year. A slow-down on this Although this meant that price corrections in the group's own products were necessary, price levels for Hoechst's products were still under the average for the first three months of 1978.

Commenting on the group's proposal to issue debentures through associated companies overseas sales were up 10.5 per Sammet, be said, was under-cent on the opening quarter of standably, trying to improve last year, while exports as a the relationship between internally generated capital and capital from external sources. ally The parent company's pre-tax Like most other German concerns, Hoechst was weaker in pared with DM 157m. Margins this respect than foreign com-improved to 7.7 per cent from petitors from such countries as

### Call for share issues by Gist-Brocades sees signs **Dutch commercial banks** of improvement

BY CHARLES BATCHELOR IN AMSTERDAM

GIST-BROCADES, the hiochemical and pharmaceuticals group, expects 1979 results to at least equal last year with the first six months already showing an improvement. Net profit rose 10 per cent to Fl 21.6m strengthening their assets and meeting its solvency require-ments. The Nederlandsche Bark rose 10 per cent to Fl 21.6m plans to discuss proposals with the banking organisations, Dr. Demand for a number of hulk dent, announced in his annual commercial hanks made 16. The recent years to banks of the banking organisations, Dr. Solvency by setting aside reserves and taking up loans. Commercial hanks made 16.

sales of dried yeast and some pharmaceutical products also increased sharply. The com-pany achieved high use of capacity at its domestic and foreign plants despite tough competition, it said in its annual report, and managed to avoid the decline in earnlags forecast at one stage last year.

However, currency fluctua-tions and the firmness of the guilder bad a largely negative Impact while high production costs in Holland and Belgium were a source of concern. Investment fell last year to Fl fi7m from Fl 77m, Sales were 9 per cent higher at Fl 1.1bn

# Gains by paper group

By Fay Gjester in Oslo

NORSKE SKOGINDUSTRIER, Norwegian producers of paper, pulp. chipboard and timber. reports incressed turnover and profits in 1978, compared with the year earlier, reflecting ao Improving market last year for paper and other forest products. Group net profil before end-

year provisions and taxes, rose to NK 62m from NK 42.6m but net profit after taxes and end-year provisions was only slightly higher - NK 2.4m (\$U.S.463,5881 rompared with NK 22m. No divideod is being

Turnover rose to NK 1.21bn (\$233.72m) from NK 1.04bn. ably down from the 1977 figure The 1978 and 1977 figures are of £M51.7m, while current sav-not directly comparable because the group sold a paper to grow at a steady pace from mid-1978 and acquired two sawmils from January 1978.

BY JOHN WICKS IN ZURICH

Exchange rate pressures left
Paralpina Welttrapsport, the by 7 per cent in 1978. They
Swiss forwarding agent which is would have increased by 8s the fourth biggest in the world, while unchanged turnover last can be unchanged turnover last year. On comparable currency rank and not worked so beavily against the rompany when translating dollar camings.

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU, Tel.: 01-283 1101. oyal Axthage Average 18, 1979 (Base 100 on 14.1.77)
Index Gaide as at April 18, 1979 (Base 100 on 14.1.77)
Clivo Fixed Interest Capital 156.00
Clive Fixed Interest inrome 127.93

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornbill, London, EC3V 3PB, Tel.: 01-823 6314.
Index Guide as at April 26, 1979
Capital Fixed Interest Portfolio 115.10
Income Fixed Interest Portfolio 104.50

Exchange rate pressures left

THE DUTCH central bank the difficulties "of making share hopes to persuade the country's issues and the stock exchange commercial banks to make more climate is an important factor. use of share issues as a way of

plans to discuss proposals with The solvency requirements of Dutch banks bas fallen steadily over the past 10 years, the hank's figures show. Assets as

a percentage of credil and investments fell to 11.3 in the first quarter of 1977 from 17.1 In 1968. After the introduction of a revised system of calculating the figures, requirements 6nctuated between 9.5 and 10 per cent during 1977 and 1978. The central bank has been continually raducing its solvency

requirement fell to 7.4 per cent

It nevertheless hopes to encourage the banks to tap the share market.

In recent years the banks ond Issues In 1978 compared with only two sbare issues, according to Amsterdam stock exchange statistics.

• Holland Amerika Lijn, the Dutch shipping, tourism and transport group, reduced its losses in 1978 and expects a further improvement in the current year. Dividend is to he passed. The company last made a payment in 1976 when sharebolders received Fls 8 a

requirements hut now has no literation of going any further, its results in U.S. dollars in Dr. Zijlstra emphasised. The 1977 after the move of its headquarters to Stamford, Connecti io the last 1978 quarter from cut. from Rotterdam, reported 7.8 per cent at the start of 1977. a 1978 net loss of \$6m, compared The central hank "realises with a loss of \$9.8m in 1977.

# Slowdown at Malta banks

commercial banks, Mid-Med the to £111.8m. Balances with Former Barclays operation and overseas banks rose sharply from £M3.1m to £M8.2m. Deposits with the central bank National Bank of Malta group.

National Bank of Malta group.

Blso grew considerably from £M55.8m tn £M71.5m.

year with a pre-tax profit of £M1.im (\$3.im), a slight decrease from the previous year's £M1.2m. Advances and loans at £M44.8m were consideruse the group sold a paper 10 grow at a steady pace from (Hurum Fabrikker) in £M116.1m in 1977 to £M129.7m.

Gross forwarding profits rose

translating dollar earnings.

MALTA'S TWO state-controlled related companies grew slightly

a considerable increase in advances and loans from £M25m to £M28.7m in 1978. Sharp rises were also recorded 48m).
in customers' funds and the Bousteadco which is involved Bank of Valletta's deposits with well as Australia and New Zeathe central bank weot up to laod, has declared a final gross £330.6m from £323.7m. Hold-dividend of 10 per cent, making The bank's investments in ings with foreign banks declined an unchanged total of 12.5 per as provided under the listed and unlisted stocks and in from £M11.3m tn £M9.9m. rent for the year after includ. Companies Act.

Currency pressures check Swiss forwarding agent's profits

port Group.

cenl dividend for 1978.

Engiocering concern Ateliers

BY OUR SINGAPORE CORRESPONDENT BOUSTEADCO Singapore raised ing the 25 per cent interim its group pre-tax profit by 18 gross dividend.

Bousteadco shows sharp advance

per cent last year to SS 7.41m

Bnusteadco has now secured for 1978.

The larger Mid-Med, with a pre-tax profit of seed of the esteblished profits were slightly up, from assets and liabilities totalling fM137.2m (\$378m) ended the year with a pre-tax profit of advances and loans from Group turnover expanded 19 and Co. Pte. At the expiry of the control of the esteblished runber and commodity trading changed, at \$3 2.97m.

Brusteadco has now secured by 32 per cent to \$8 4.45m. The tax charge was almost unchanged, at \$3 2.97m.

Croup turnover expanded 19 and Co. Pte. At the expiry of the control of the esteblished commodity trading changed.

per cent to S\$ 106.1m (U.S.\$ its takeover offer, the company bad received acceptances for all bank's deposits with the central in shipping and in trading in and 98 per cent of the 1.02m bank. Deposits increased to consumer and industrial pro-ordinary sbares of Hollday, £M70.8m from £M60.5m, while ducts in the ASEAN region, as Culler.

Bousteadco is to proceed with compulsory acquisition of the remaining ordinary sbares as provided under the Singspore

# Japanese step up foreign bond buying

By Charles Smith, Far East Editor, in Tokyo

JAPANESE insurance companles and business corporations went on a foreign bond buying sprce in March, jndging by figures released by the Government. The gross value of bond purchases in March was Y639.1bn (over \$3.2bn), more than twice as high as the previous maximum and seven times the amount of purchases in January.

The indications are that buying has levelled off since early April-to perbaps half the amount recorded in March. But there are signs that a new wave of bond bnying could occur, depending on developments i nthe foreign exchange market. A very large part of the

Merch bond purchases ronsisted of sbort-term investment in U.S. treasury bills, fully hedged against foreign exchange risks, carried out by Japanese corporations (not insurance companies). Buying was sparked off by the narrowing of the forward premium on the yen against tbe dollar on the Tokyo foreign exchange market to less than four per cent in annual terms—so reducing hedging costs for investors moving out of yen into dollars. Sincey ields on U.S. treasury bills were over 10 per cent at this time, while comparable rates in Japan were between 4 per cent and 4.5 per cent, it

funds from the Japanese bond market into the U.S. market. The forward premium on the yen has widened since March (to about 6 per cent for three-month hedging operations). This bas resulted in the cutting down of fully bedged bond bnying opera-tions. However Japanese security honses believe that buying will pick up again if and when the premium

bccame profitable to shift

In the meantime "outright" purchasing of foreign bonds by Japanese investors, especially life insurance companies, remains highly active. Investors appear to have shifted their attention to some extent away from UK giltpeaked in February as a destination for long-term Japanese investment funds) to Canadian dollar bonds. Outright purchasing of U.S. dollar bonds has also begun to in-crease lately reflecting the strengthening of the U.S. dollar against the yen and ex-pectations that the dollar will strengthen still further.

Bond department managers at major Japanese securities houses said that their desks were flooded with purchasing orders for U.S. treasury bills when they returned to work yesterday afternoon after a three-day holiday (In honour of the Emperor's hirthday). The orders appear to have been piaced on the assumption that the dollar may rise above the level of \$1 to Y230 in the not too distant future.

The dollar cinsed at Y223.75 last night, np sharply frum Friday's Y219.15. The dollar would bave gained more ground if the Bank of Japan had not carried out substantial yen support operations, valued at around \$300m.

# OPEC MEMBERS IN THE MIDDLE EAST

Iran

# Overseas investment income soars

THE BIG Middle East oil producers last year earned more FOREIGN ASSETS tban one and a half times as mucb from their overseas investments as they did from oil in 1972. In 1978, seven End of 1972 End of 1977 End of 1978 Kuwait ..... Middle Eastern members of the Qatar Sandi Arahia ..... Organisation of Petroleum Exporting countries earned \$11.1bn from their total foreign assets of \$138.65bn; this compares with earnings from oil of \$6.9bn and \$781m from investment in 1972, wheo foreign assets stood at !9.7bn. 9,733 122,285 These figures reflect mainly

the increase in oil revenues, resulting from bigber prices and larger government share, which bas enabled the oil states to pile up surpluses to invest abroad. The seven states' oil production last year was less than 10 per cent higher than in This is the conclusion of a Iraq ......

study of the foreign assets of Saudi Arabia, Iraq, Iran, Kuwalt, Libya, Qatar and the United Arab Emirates by Dr. Odeh Aburdene, an economist with the Arab Mooetsry Fund. Dr. Aburdene's estimates, based on a Brudy of these governmeots' books, are higher than many others because they include the foreign assets of Saudi Arabla, Kuwait, the UAE and Qatar which are not included in the countries' foreign reserves.

These countries hold

INVESTMENT INCOME 559 767 1,361 1,821 24.8 75.5 128 138 221.7 1,305.7 1,961.8 3,226.6 Kuwait ..... 410 Qatar ...... 28 Sandt Arahia 125 157.8 200 4,447 6,000 8 268 191 731 1,000 288 789 1,200 49.6 143.8 65.7 275 54 424 UAE ..... 146 784 202 Libya ...... 152 123.7 312 266.8

which are not included in their those of Libya and Iran declined central banks' reserve assets. slightly. Saudi Arabia's \$660. Also, in the case of Qatar, the

with an unchanged interim of

2.5 gives an annual payout of

higher than the Kelvinator board's estimate in March, dur-ing its takeover defence. of

Yesterday the better than pre-

dicted result was put down to

"higher sales, an increase in market share and a continuing

effective programme of cost

cents a share. The dividend

covered by earnings per

share of 22.5 cents—up sharply from last year's 13 cents.

The size of the profits is A\$5.55m.

781.4 1,098.5 3,303

investment income last year was foreign assets of the commercial not far short of the seven S banks are incorporated. In the The figures show the connot far short of the seven States' tinued fast accumulation of deposits with foreign banks, surpluses by the four biggest mainly in dollars, both in the

1979-80 year.

the estimated annual A\$3,4m, A\$451,000, However interest force

The foreign assets consist of surplus States, Saudi Arabia, U.S. and Europe, but also in Kuwait, the UAE and Qatar. Deutsche-Marks,

Thev

increased profitability in the

Sales for the period rose 18

per cent from A\$89.46m to

A\$105.65m while pre-tax earn-

ings went up from A\$3.80m to

Tax took A\$1.92m compared

with the previous year's A\$1.65m. Tax relief totalled

4.882.8 6.787.6 8.740.6 1.110.0

Treasury bills, honds and notes; corporate bonds and notes; direct investments; such items as subscriptions to the IMF. bilateral loans, World Bank and other bonds; and capital contri-butions to multilateral OPEC and Arab aid funds. Direct investments in western com-panies are relatively small in proportion to the total, as are major real estate holdings.
Dr. Aburdene, who is on secondment to the AMF from First National Bank of Chicago, says that the OPEC countries have been "exceedingly canti-

have not engaged in financial manoenvres to upset the economies of those nations where their oil is sold and where their funds are invested. "Thase countries want to turn their finencial assets into something with a solid underlying capital value, not just into a big portfollo producing a return. The oil experting countries of the Middle East have treated their surpluses as a pension fund, and have there fore had to evolve a serious investment policy." The bil states refused to switch "any substantial part of their investments' out of dollars into DM or yen during the wave of

ous and conservative" in deploying their assets. They

dollar selling in September-October 1978, he says. Dr. Aburdene expects the aeven states' investment earnsignificant part of their public Kuwait, the UAE and Qatar. Deutsche-Marks, yen, Swiss aeven states' investment earn-sector foreign assets in certain lyaq's foreign assets also showed francs and starling; U.S. Govern- ings to rise to \$13bn in 1979, government eccounts or funds a major increase last year, while ment obligations, notably and to \$15.5bn in 1980.

predicted ordinary profit of A\$311,000

holding.

charges were down from refrigerator market, the board A\$4\$1,000 to A\$420,000 and yesterday announced that Mr. depreciation fell back from P. J. Cottrell, the Email A\$2.08m to A\$1.67m. The managing director, had been

result did not include an extra- appointed a director.

Panama 84 93 EUA 20
SOFTE 84 89 EUA 44
Algemene 8k, 64 83 FI 75
CFE Mexico 74 83 FI 75
CFE Mexico 74 83 FI 75
Ned Zaaland 64 84 FI 75
New Zaaland 64 84 FI 75
Norway 84 84 FI 100
EII Aquicaine 94 88 FFI 150
EIB 94 88 FFI 200
Nerway 94 87 FFI 200
Nerway 94 87 FFI 150
CECA 84 89 FFI 150
Unilover 10 85 FFI 150
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Unilover 10 93 E 20
EIB 94 88 E 105
CECA 84 89 £ 25
Finance ler Ind. 13 91 £ 20
EIB 94 88 E 155
Bayer Lux 8 85 LuxFr 500
EURITOM 87 LuxFr 500
Nerway 74 83 LuxFr 500
Nerway 74 83 LuxFr 500
Solvay FIN 88 LuxFr 500

against A\$481,000 last time.

The directors said that if the

recent bonus issue was ignored

asset backing now stood at

A\$2.30 a share, equal to the price Email bed paid in the

market to secure its strategie

Taking the first merger steps,

the

which will make the Email Kelvinator camp the dominant

ln

# Kelvinator Australia turns in record earnings

NET PROFITS of Kelvinator has been lifted 1.25 cents a reduction." Australia, the white goods share to five cents, which slong manufacturer, rose 69 per cent, from A\$2.15m to a record A\$3.63m (U.S.\$4m) in the year to March 31, justifing fully its role earlier this year as the target in a takeover tussle between it fellow competitors, Email and Simpson Pope Holdings.

Email holds 50 per cent of Kelvinator's capital, after a share trade-off with Simpson Pope and a pledge of a full bid st a later date.

Kelvinator's final dividend

# Shangri-La takes stake in Raffles City

By Georgie Lee in Singapore

THE LEADING Singspore hotel

by the Western International chain of botels, has recommended a final gross dividend of 12 per cent, which together with the interim dividend of 8 per cent paid earlier makes a total of 20 per cent for the year, against 15 per cent previously.

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on May I on the second Monday of each month.

THE LEADING Singspore hotel operator. Shangri-La Hotel, has taken an equity interest in the proposed \$\$600m (around U.S.\$270m) Raffles City property development.

Shangri-La's stake in Raffles City (Private) which was formed by the Development Bank of Singapore (DBS) to own and develop the property, ls 12.5 per cent. Raffles City has an issued capital of about \$\$\$250m, with the DBS and the Singapore Government as its imajor shareholders.

Meanwhile, Shangri-La has announced a sharp improvement in group profits for 1978.

Pre-tax profit rose by 69 per cent to \$\$12.5m (U.S.\$5.7m) while at the post-tax level, profit grew by 70, per cent to \$\$6.9m. Shangri-La. which is managed by the Western International \$\$150 meanwhile Shangri-La which is managed by the Western International \$\$150 meanwhile is managed by the Western International \$\$150 meanwhile Shangri-La shangri-La which is managed by the Western International \$\$150 meanwhile Shangri-La shangri-La which is managed by the Western International \$\$150 meanwhile Shangri-La shangri-La which is managed by the Western International \$\$150 meanwhile Shangri-La shangri-La which is managed by the Western International \$\$150 meanwhile Shangri-La shangri-La which is managed by the Western International \$\$150 meanwhile Shangri-La U.S. DOLLAR

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Canada 2tr 88
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Chose Manhattan 4 53
Council of Europe 4tr

Connect of Manhattan 4 93
Council of Europe 44...

8 NIME 5 88
Unomark 47, 90
Eurolom 49, 93
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New Zeoland 37, 94
OKB 33, 81
Finland Ost. Londe 4 90
Finlippings 45, 83
Sandvik 4 90
Spain 4 91
Vionna 4 93
Wesld 8usk 49, 92 YEN STRAIGHTS Adiah Ocv. Bonk 54, 88
Austrolia 5.6 83
Austrolia 64, 88
Indiah S.8 83
Finland 6.6 88

\*No information available—provious day's orice.

1 Inly one market mekor supplied a price.

1 Inly one market mekor supplied a price.

Straight Bonds: The yield is the yield to redemotion of currency units except for You bonds where it is in billions. Change on wask—Change over once a week corier.

Rosting Rale Notes: Genominated in dellars unless eiterney wire indicated. Ma Minimum coupon. C. dis Pleis next coupon becomes effective. Spread—Margin above arz-month effored rate for U.S. dellars. C.con—The current coupon. C. clid—The current yield. Concertible bonde: Ocnominated in dellars unless eiterwise indicated. Che. day—Change on day. Che. dete—First date for convarsion into charge. Che. once—Nominal emount of bond par shate sepressed in current of share a conversion rate fixed at insue.

Prom—Percentage premium of the current effective price of sepres of the shores.

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Total group assets increased Sciences inc, a leading condividends of 10 per cent for structor of electron accelerations share and dividend certificates structor of electron accelerations share and dividend certificates to the plantic film and for 1978. Net profit of the constitution purposes and for pany rose by 8.5 per cent last sterilisation purposes.

Charmilles, a manufacturer of machine tools, power-station process.

Charmilles, a manufacturer of machine tools, power-station process. of machine tools, power-station licitas (Foreign), of Panama, equipment, small internal recommends an increased cenl dividend for 1978.

With a share capital of SwFr 20m. Panalpina is owned 40 per cent by the Swiss foundation Ernst Goebner-Stuffung, 20 per cent by the Swiss shipping company Schweizerische Reederei und Neptun, and the remaining 40 per cent by the Rotterdam concern Ruys Transport Group.

Additional for 1978.

Additional for the further development and dissemination of the U.S. company's technology, wherehy a special European eustomer service is recommends an increased dividend of \$4.50 per share, nology, wherehy a special European eustomer service is

suon lu be set up. Engioeering concern Ateliers

the ITAU Insurance group of des Charmilles of Geneva, is to Publicitas SA. Switzerland's Brazil. It will primarily serve acquire a substantial hulding in leading advertising and placing the Swiss company's clients in the American company, Energy agency, is lu pay unchanged the Brazilian market.

OTHER STRAIGHTS

Nordic I. 28. S 84 SDR

Fundamental SA. Switzerland's Brazil. It will primarily serve the Swiss company's clients in the Brazilian market.

Quobac 104, 86 CS ...... Publicities SA. Switzerland's Brazil. It will primarily serve

against \$4, after a rise in profits from \$590,000 to \$740,000. \* \* \* \*
Winterthur Insurance in Brazil. To be known as ITAU Winterthur Seguradore, the undertaking will be supported by both Winterthur and

# CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST LIMITED

The following is the statement by the Chairman, Sir Clement Penruddock, C.B.E.

The consolidated gross revenue amounted to £227,140. and the consolidated net revenue after providing for management expenses, loan interest and taxalion, amounted to £154,923. Comparison of these figures with similar details for 1977 indicates that there has been a most satisfactory increase in dividend receipts although the revenue has suffered from substantially reduced activity by the dealing company, whose profits amounted to £5,787 compared with £63,533 in 1977.

A dividend of 20% (less Jersey Income Tax) payable on the income shares on the 22nd May 1979, is recommended. This will absorb £160,000 out of the balance of £229,129 on the revenue account for distribution for the year ended 31st December 1978 and leave a sum of £69,129 to be carried forward in the accounts of the Company. The proposed dividend of 20% for 1978 is higher by 33.3% than the 1977 distribution and in the absence of unforeseen circumstances we expect to be able to announce a further increase in the dividend for 1979.

In view of the rapid rise in total assets in the last few years it has become apparent that the market in the capital shares has become somewhat restricted. To help in easing this problem the Board proposes to capitalise £1,500,000 of the sum held in the Capital Reserve Account by paying up 1,500,000 capital sbares and distribution these in the ratio of 3 new capital shares of £1 for every existing capital share of £1 held. A resolution to give effect to this issue will be submitted to the Annual General Meeting of the Company on 22nd May 1979. In accordance with the Company's Articles of Association, in voting on this Resolution each holder of income shares has one vote, regardless of the number of income shares which he holds; holders of capital shares have one vote for each capital share held by them. Subject to the passing of the necessary Resolution, it is intended to despatch recounceable certificates on the

During 1978 the Financial Times Ordinary Sbare Index fell by 3.0% while the All Share Index rose by 2.7%. The Dow Jones Industrial Index adjusted for the dollar premium

The Company's assets during the year rose by 11.1% which can be considered very satisfactory particulary when one remembers the performance during 1977. The last two years have been extremely successful for both classes of shareholders. Whilst in the longer term we are reasonably optimistic of making further progress I feel that it would be imprudent of me to suggest that we can always continue to outperform the indices. We shall of course make every. effort to pursue the interests of all shareholders.

Year to December 31st 1978	1978	. 1977
Revenue before Tax	193,654	201,942
Net Revenue	154,923	172,134
Total Assets Capital Share	4,644,234	
Assets per Capital Share	928.80	816.5p
Dividends per Income Share.	20,00p	15.00

MALAYSIAN OIL

# Battling to get the right policy mix

BY WONG SULONG in Kuala Lumpur

the trulh to say that today a not prone to ambark on costly developing nation has the adventures. economic odds stacked against it If it has oo oil. Malaysia, as leading exporters of tin, palm oil and rubber is also in the enviable position of being a tamina and Iran serve as a userelatively sizeable net exporter ful reminder of the terrible of oil, and it will soon be consequences that could be exporting large quantities of uolcashed by oil extravagance.

Malaysiaos are also lucky because they have bot squaodered these precious natural resources, and have been shielded, so far, from the worst effects of the gusb of petrodollars that has plagued so many other developing atory of Indonesian The Pertamina. Slate owned oil company which near to bankrupicy several years ago, and Iran, provide obvious lessons of bow grandiose dreams and schemes based on a sudden gush of new found wealth can bring a nation near to grief.

Not that the people running Petrooas, Malaysia's State oil company, need lessons in the virtues of thrift and caution. They are furmer sector civil servants, who by their training, adopt a low profile, entertain

IT WOULD oot be far from few political ambitions and are

Nevertheless Tan Sri Abdullah Salleh, the newly appointed well as being one of the world's Petronas chief, and former chief secretary to the Government. concedes that the woes of Perconsequences that could be

Financial Times, he was careful Useful reminder tu point out that Petronas would be slow and cautious. "We have seen the mislakes of others. If we make the same mislakes, how are we going to soswer them? be asked.

> Since the signing of production sharing agreements with foreign companies in 1976, Malaysia'a oil production has gone up sharply. Current output is 260,000 harrels daily, and it country will increase to 300,000 barrels earner. next year. Shell and Esso, take 41 per cent of this output to cover costs and their share of

Revenue from oil exports is making a substantial impact on Malaysia's trade and balance of payments position. The revenue comes in useful at a time when the Government needs the cash for more public sector invest-ments, and for defence.

Last year, Malaysia exported between Petronas' avowed Petronas holding 65 per cent. capital, decides to go toto exploration 9.6m tonnes of its low sulphur, policy of conservation and the It will supply 8m tonnes of Trengganu is one of the and development on its own in premium-fetching crude, valued bigh oil flow of the past few LNG annually (equivalent to poorest of the 13 Malaysian a big way.

oll companies, at the insistence of Petronas, bave aunk millions of dollars into an intensive exploratioo programme and it is poly fair and natural that they want to recover their costs as quickly as possible.

(on production), but very geotly. We don't want to jam the works," said Mr. Rastam Hadi, his deputy at Petronas. In Sarawak, for example, production is being reduced, because Petronas feit too much gas was being flared. Malaysia's own oil consump-

dally and is growing at T to 8 per ceot a year.

If no new oil fields are found, Malaysia's oil reserves would be exhausted withio 10 years at current production rates. But the impression given by Petronas and the oll companies is that either the reserves are bigger than so far admitted or that they are con-fident of finding oew fields.

Currently, Petronas's attention is centred on getting the U.S.\$ 1bn Liquid Natural Gas project at Bintulu, Sarawak, oo stream by January 1983. The project is a joint venture with Shell and Mitsubisbi, with

to Japanese utility companies for 20 years.

A contract for site clearing has been given. A U.S.\$ 25m cyrogenic plant to convert natural gas into liquid form, quickly as possible. has been ordered. Three com-"We are applying the brakes panies, all Americao-Japanese joint vectures, have tendered to supply and construct the main LNG plant aociliary facilities.

The first of the five LNG tankers will be delivered to the State-owned Malaysian International Shipping Corporation later this year. It looks like the ships will be idle until the tion is around 140,000 barrels LNG project comes on stream, as efforts to lease them out to prospective users have so far

> Tengku Ngah, the Corporatioo's chairman, feels the tankers would put a severe strain oo the line's cash flow between 1981-82, but they should recoup the losses once they are put to work in 1983.

Esso, which is producing 90,000 barrels of oil daily off the coast of the State of Trengganu is having a tussle with Petronas over its insistence that its oilmen shoold move their base from Kuala Lumpur to Kuala Trengganu, the state's

years by pointing out that the 140,000 barrels of oil a day) states, and the presence of 400 high income expatriates would generate quite a lot of economic activity. "We don't think we are being unfair," said Mr. Rastam. "We ask Esso what it waots, and we are prepared to do everything, within reason, to satisfy their men. Shell people in Sarawak and Brunei live near to their place of work and this is the case around the

### BNOC help

Petrooas's exploration subsidiary, Carigali, recently entered into a consultancy agreement with the British National Oll Corporation, to provide the expertise to develop the Sotong Field, off Pahang state. The Sotong area was originally given to a consortium led by Conoco, but it relinquished its rights after failing to get a sufficiently

Petrooas. Conoco believes the field has only 20m barrels of recoverable oil, but Petronas estimates it at

attractive

Petronas does not expect big money from Sotong, but working the area with BNOC would give invaluable experience to staff at Petronas. This would come in useful when Petronas

# BANQUE OCCIDENTALE

pour l'Industrie et le Commerce

The integration of the activity of the former City office of the Swiss based Banque pour le Commerce Continental within the London Branch of Banque Occidentale, Paris, has been completed. The enlarged Branch thus created commenced business on 1st May.

65, Leadenhall Street, London EC3A 2BA Tel: 01-480 5676 Telex: 884032 .

Head Office and Registered Office: 42, Avenue Friedland, 75008 Paris



# King George's Fund for Sailors looks after them all

In this Country of ours, there is no-one who is not connected with the sea.

Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends are past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity, charged with collecting and providing funds for all other seafarers' charities, and with making sure that the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to:-

1 Chesham St., London SWIX 8NF FUND FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR FAMILIES

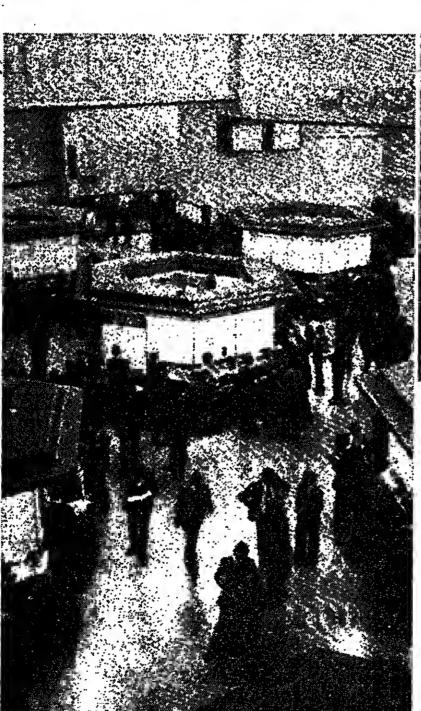
TAULS ... SINGAPORE SUBATRA

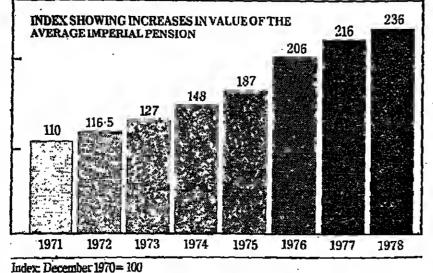
at ringgits 2,400m (£522m). This year, oil exports are projected to reach 13.2m tonnes and this would make oil into tha country's top foreign exchange

There are some who feel that Malaysia is in urgent need of cash and is turning on the oil valves full blast to get it, but in fact the Government would not find it difficult to obtain other sources of floace. Malaysia's credit standing in the international community is very

Tan Sri Abdullah explained the apparent contradiction

Richard Neale entrusts the savings of 23,000 people to British Industrywith growing benefit to both.







Richard Neale, Pression Frond Municeer of Imperial Group Limited. Left: The Stock Exchange.

be difficult to put together from scratch."

"It's a fact that Imperial Tobacco - as Wills and Players - was paying pensions to its employees way back in the 19th century, long before it was common practice.

Richard Neale, pension fund manager was referring to the traditionally good record of Imperial.

"The present fund was set up in 1929 which makes it one of the oldest in Britain. Incidentally, 1979 will be our Golden Jubilee."

Norman Ferguson, investment manager, had this to say: "Imperial has always chosen to manage its own Pension Fund using its own investment team. We're a big fund, and we are competing with the major merchant banks and life

assurance companies. "Thanks to far-sighted management in the past we have today a portfolio of shares and property which it would

He described the pattern of investment of the fund as "spread across the whole range of British Industry, with a good proportion of 'blue chip' shares, but also specialising in medium to smaller size companies and particularly in industrial property. You could say Imperial employees have got a big investment in Britain's future prosperity.

"Our policy has proved itself. Over the past 20 years we've been able to increase benefits while reducing members' contribution rates. The last 5 years of inflationary pressure has made this more difficult, though the company has come to the rescue with increased contributions - now nearly four times those of members."

"It's a good pension," said Neale. "There's a good level of benefit at retirement, and a good degree of inflation-proofing after retirement; and the same benefit formula is used for management, staff and employees.

"I think that shows a certain attitude of responsibility on the part of Imperial. It's understood in a way that the good of the employee is the good of the company. It's a reciprocal thing. In my experience

this is appreciated on the shop floor and among management." -

Neale and Ferguson, dedicated to getting the best value for money for the members of their pension fund, work for Imperial Tobacco: an important employer, a big taxpayer, and a committed investor in Britain's future.



Mr John Wieber, a pensioner of the Imperial Tobacco Pension Fund for over 10 years, with Mrs Weber.

# Imperial Tobacco: the way we work

Imperial Tobacco Limited - a member of Imperial Group Limited

The Financial Times proposes to publish a major Survey on World Banking. It will be published in two parts on May 21 and May 29. The editorial synopsis is set out below:

### PART 1 — 21 MAY 1979

The Economic Background The search for a securities for bank customers, the wide choice more even distribution of economic growth and current account balances. The factors behind the recent high level of world liquidity, the key to the current banking environment. The IMF and its macro-economic impact now that increased resources have been approved. Its function as inspector of world economies. The sharp rise in the price of gold mirroring the problems of the dollar. European Monetary System—the conception, start, and prospects of

this new regional monetary system.

Forms of Finance offered by Banks These articles are to describe the basic characteristics of the "product" offered by banks to their customers. Medium-term loans—the mounting advaotages to borrowers. Project Finance—how banks join forces to fund large-scale projects. Export Finance—the growth of this business tied to the growth of trade. The issue of

of currency maturity and coupon facing the borrower.

The Eurocurrency Market The nature, fuoction and growth of the market. Profitability in Eurocurrency lending—an analysis of the risks and rewards currently facing banks. The Eurobond Market—development of this market and its profit potential for banks. The Foreign Exchange Market-the structure, the relationship of market-making banks to brokers, and the con-tinuing role of the dollar as the base currency in many banks' foreign exchange operations.

Country reports and profiles of bankers These articles will describe the chief characteristics and topical developments in the banking business of each country. Each article will be accompanied by two profiles of the central bank chief and the foremost banker in the banking

# PART 2-29 MAY 1979

Changes in the banking business The move towards universal banking with banks increasingly anxious to diversify their activities. The chief developments in the business of banking for the consumer. The rise of the savings banks. Investment banks, merchant banks and consortium banks— what role is left for these specialist institutions as the move towards universal banking continues? Correspondent

The Regulatory Framework International bank regulations—there have been persistent calls for greater degrees of transparency and supervision in the international banking market. U.S. bank regulations-this highly developed system in the biggest banking market effects the development of the international banking business. Accounting eonventions-lack of comparable accounting rules makes it very difficult to compare even the largest banks in the world. The role of the Bank for International Settlements in providing a forum where bankers (from Comecon too) can discuss currency intervention and banking supervision.

International Banking Centres These articles are to describe the characteristics and development of the better knowo banking centres. There is an introduction giving a brief account of the share of the international banking market accounted for by each centre and any broad geographic trends:

City of London New York Zurich Frankfurt Hong Kong and other Far East centres

Middle East centres

Country reports and profiles of bankers These articles will describe the chief ebaracteristics and topical developments in the banking business of each country. Each article will be accompanied by two profiles of the central bank chief and the foremost banker in the banking

For further information please contact: Helen Lees Financial Times, Braeken House 10 Cannon Street, London EC4P 4BY Tel: 01-248 8000 Ext. 238

### **FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER**

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

INFLATION ACCOUNTING

DEEPAK KULKARNI

# A retrograde step into the realm of reserve accounting

WHILE ED 24 is a useful step relegation holding gains to the halaoce sheet (io a Sandilands grade step into the dreaded realms of reserve accounting.

Most people would agree that shareholders require accounts consumption decisions. Hence they need to know whether are getting richer or poorer. Presently, they are conveyed this information through aonual accounts whose focal point is profit for the year.

In times of stable prices, these accounts served us well. Based oo historical cost principles, they bad the advantage of objectivity and verifiability. However, during times of changing prices, they justifiably attracted much criticism—and accountants sought an alternative profit measure. Reformists have embraced an admirable profit concept first propouoded by Sir John Hicks in 1946. Put simply, he defined profit as the increase in well-offness over time: or in accounting terms, what remains after capital has been maintained.

# Comparisons

capital is defined as the measure of profit, we find that deprival value of a company's it loses its edge. assets, i.e., the amount that would just compensate a com-pany if it were to be deprived of the asset being valued. However, the inflation accounting because it gives an impression debate is not centred on the of spurious accuracy. Modesty mcasurement of capital (i.e., is called for: fioancial measure-the balaoce sheet), but on meots are at best approximate, method of comparing capital at Therefore, we should be content two different points in time if accounts succeed in raising the profit and loss

Such comparisons may be done by using money units, physical units or real units. To which starts trading with 100 units of stock each bought for £1 at a time when the general index (GI) stood at 100. After several stock turnarounds, it finishes trading at the end of the year with 100 units of stock achieving this objective. each costing £1.50 at a time when the GI stands at 120.

an the absence of addition or buy shares or consciously con-withdrawal of capital, profit three lo hold existing shares, using the money unit or £ is 50; in return for a more satisfying the difference between of 100 units valued at £ and assets as financed by this share-£1.50 respectively. Profit using holder package is of constant the physical unit is of the package is of constant. difference between 100 stock units at the beginning and 100 stock units at the end.

THE proposed new inflation accomoling standard released earlier this week (Mon 30) is far too pessimistic. And its pessimism means that shareholders will teed not to be eredited with some of the reals gains made by com-

panies they have invested in. The new proposals were drawn op hy the Accounting Standards Committee, the rule-making hody of account-ing, in the form of Exposure Draft 24. This represents an attempt to reach agreement on a maodatory standard by which Britaio's higgest 5,500

Finally, profit using the real unit io terms of shareholders' coomand over goods and accounts should seek to measure services (as measured by the through the profit and loss (31) is 30; the difference accounts. However, this does tween the opening capital of £120 (the real worth of the initial capital of £100 expressed in accounting period end—£s) and the closing capital of £150.

The measurer's choice of unit of comparison must depend on the uses to which his results are to he put. If we apply this acid test of usefulness to the argument frequeotly put for-Uoder ED24, well-offness or money unit, is an "objective"

> (to the contrary, we can argue that to say that the historic profit of X Ltd. is £4,327,25fi.2fi dangerously misleading pertinent questions io the minds of users—rather than amhltiously seeking to provide all

> If shareholders require information to assist them in maximising the value of their coosumption, then it would seem that the real or Current Purchasing Power (CPP) unit, as it has come to be known in Britain, is most sulted to Sharcholders give up a con-

sumption package when they the risk and size of the package eventually returned to them. companies would be able to adjust their accounts for the

effects of inflation.

After the years of argument over the problem it is disappointing to see that this latest set of proposals is more useful as a tool for company management than for shareholders to measure overall performance.

The essectial point is that some of the increase io the value of a company's stocks and assets are real gains—in shareholders' eyes—wheo the increase is above the average Inflation rate.

shareholders' purchasing power not mean that we return to the ill-faled Provisional Standard No. 7 on CPP. As ED24 rightly points out, there is no guaraotee that the price of particular assets that a company holds, as listed in its halaoce sheet, would chaoge io harmooy with the level of general inflation. Here, sharcholders would find specific current values to he

### Limitations

But ED24 serves us less well in profit and loss account where it adopts the physical unit comparison we discussed earlier. Its reasons for doing so are clearly spelt out in the exposure draft: it secks to maintaio an entity's on-going hisiness operation by eppropriating additional sums from historic profits to effect asset replacement. Thus ED24's net monetary

helpful for this gives them an indication of the size of the resources owned by their

working capital adjustment is a logical exteosioo of the Hyde proposals, if one accepts that the ralson detre of a company is to replace its assets. Company oranagers would naturally find such a concept of capital maintenaoce to be powerfully appeal-ing. They would gratefully embrace an accounting device which automatically ensured the continued existence of their company regardless of whether this was in the hest interests of

If shareholders are concerned with their company's perform-ance, then surely they would find both operating profils and holding gains to be of interest. For the purposes of distribution Thus it is the extent to which to shareholders there is no Monogement Consultants.

their shareholders.

justifiable economic distinction between iocome earned by pro-ductive efforts and that earned by chance. Both sources make shareholders richer.

In our previous example, however, ED24 suppresses the real gain of £30. Thus while the company maintains physical capital, shareholders automatic. ally invest a further £30 in terms of their command over goods and services. Instead of hringing this additional lovest-ment explicitly to their attention ED24 transfers amounts to the Capital Maintenance Reserve: a far cry from greater clarity in financial measurement which most users presently require.

ED24, therefore, concentrates ooly on the pessimistic side of the full story. It charges the income statement of a company with the full current cost of the asset it gives up in earning revenue but fails to recognise the real element in the corre-spooding gaio made while holding the asset.

Of course, a full distribution of real profits would mean that a company would need to raise additional finance to maintain physical operating capability or alternatively would need to scale down its operations. This contention should not be dismissed lightly. But, we can argue, distribution decisions are made quite separately from the assessment of profit.

Why down-grade measurement to eash hudgeting? Furthermore, the danger of ED24 in a period of falling specific prices has oot been fully explored. For instance, the specific price of TV games and calculators is falling although general ioflation is running at 9 per cent.

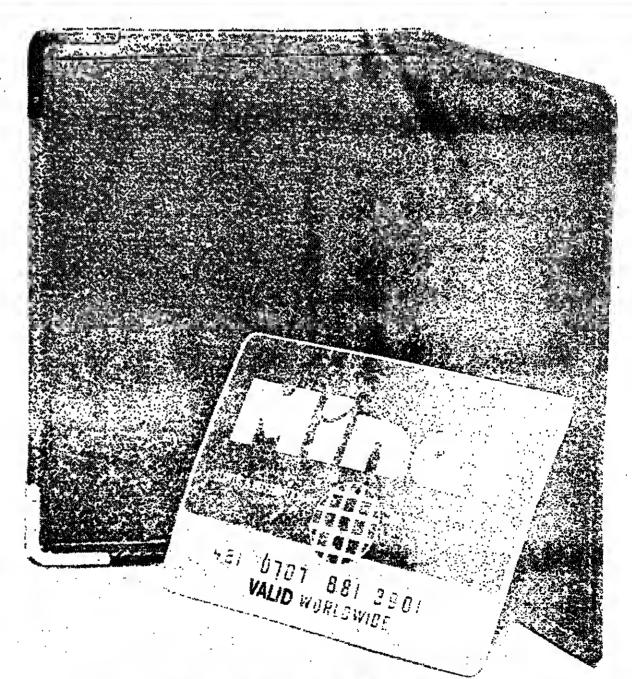
Our first reaction on seeing the equation historic profit = coerating profit + holding gain is to think of operating profit as being smaller than historic profit. But when prices tumble and holding losses result, operat-ing profits are actually bigher than historic cost profits just when accounts ought to be ring-

ing warning bells.

The way ahead should be to adjust historic cost net assets indexing shareholders' capital by their consumption index. The difference, real gains both realised and unrealised, would automatically emerge as a by-product. However, ED24 is a slep in the right direction. Deepok Kulkorni works for



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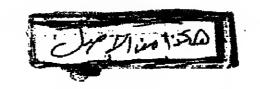
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# CURRENCIES, MONEY and GOLD

# Sterling soft

Sterling lost ground in very from \$2,0050 against the Gollar thin trading, as the lalest public and to \$7.60p from \$6,90p in onlinion poll pointed to a Labour terms of sterling. The Irish opinion poll pointed to a Labour lead in the General Election campaign. Higher U.S. interest rates may have also depressed the pound, which touched a low point of \$2.0575, before closing against the at \$2.0600-2.0610 a fall of \$5 DM 3.8042 st \$2.0600-2.0610, a fell of \$5 points on the day. Sterling's trade-weighted index, on Bank of England figures, fell to 66.9 from 67.1, after standing at 67.1

at noon, and 66.9 in the morning. The Japanese yen was very weak, reflecting the improvement in the latest U.S. trade figures and Japan's trade deficit in the first 20 days of April. The

curency showed mixed changes against its EMS partners, falling to BFrs 60.58 from BFr 60.69 against the Belgian franc; to FFr 8.7557 from FFr 8.7660 against the D-mark; and 10 DKr 10.6478 from DKr 10.6545 against the Danish krone. punt rose to Fi 4.1324 from Fi 4.1300 against the Dutch guilder; and to L1,697.34 from

L1,696.75 in terms of the lira. in the latest U.S. and Japan's trade deficit in first 20 days of April. The dellar rose to Y224.20 against the yen, the highest level for nearly 9 year, and compared the dollar, and the Bank of with Y221.90 previously. Against Japan intervened to support the yen by selling about \$300m. The slightly weaker. Its U.S. currency closed at Y223.772. Compared with Y221.90 in New York on Monday, and Y219.15 in

### GOLD

Gold showed little movement in the London bullion market yesterday and closed unchanged from Monday at \$246-246. The metal opened at \$2481-247 and although interest remained reasonably high during the day, there was no great volume. The afternoon fixing of \$247.30 was little changed from \$247.70 in the morning and gold's best level was around \$2481. The Krugerrand's premium over its gold content widened to 5.83 per cent from 5.33 per cent for domestic delivery but narrowed to 2.79 per tent from 3.70 per cent in international dealings.

		May 1	Apr. 50
	Gold	Builton (fine	DUNCE)
	Close	\$246-24654 £119.4-119.8)	\$246-2464 £118.8-119.20
Ŀ	Opening	52461,-247	8242124314
t	Morning	£115.4-118.8) \$247.70	£118.3-118.7 5243.46
L	fixing Afternoon	(120.010) \$248.50	#2116.3121 8245.50
•		Coins, deme	C1 18.761)
1		.\$25712-2614	525834-26254
9	New	£123 197, 368 70	(£125-127) :F671-69:
5	Sovereign	#£33-34} \$76-78	(£321, .5612) -\$82-84
٠.	Sovereign	(£3714-3814)	1£3912-40141
5		Coine, Interna . 52541 <sub>2</sub> -2361 <sub>1</sub>	
t		·£1251- 12442	IL 122-123
3	Sovereign	#6319-6519 #2503-5131	163-65 115013-51
C	Gid Saveraign	58212-8413 0140-41	*82-84 (£39): 40:::
•	520 Eagles. \$10 Eagles.	. > 332 12-8571	*3321-5571: <192 197
	65 Eagles	5152 137	£152.157

	ECU central rates	Currency emounts against ECU April 30	% change from central rate	% charge adjusted for divergence	Oivergence limit %
8sigien Franc Danish Krone German D-merk Franch Frant: Outch Guilder Irish Punt	39,4582 7,08592 2,51064 5,79831 2,72077 0,662638 1148,15	40.2311 7.06688 2.52843 5.81478 2.74106 0.663316 1127,69	+1.96 -0.27 +0.71 +0.28 +0.75 +0.10 -1.78	+1.47 -0.76 +0.22 -p.21 +0.26 -0.39 -1.78	±1,53 ±1,635 ±1,1325 ±1,5075 ±1,5075 ±1,665 ±4,0726

### THE POUND SPOT AND FORWARD

May 1	ebread Day's	Close	One month	7. P.&.	morths	p.a
U.S.	2.0650-2.0675	2.0600-2.0510	0.35-0.25c pm		0.85-0.55 pm	1.16
Canada	2.3500-2.3520	2.3550-2.3550	0.30-0.20c pm	1,27	0.60-0.50 pm	9.93
Nethind.	4.23-4.25	4.24-4,25	21-11-c pm	4.95	514-414 pm	4.4
8elg ium	62,00-62,50	62.10-62.20	30-20c pm	4.83	70-60 pm	4.15
Denmerk	10.90-10.97	10.971,-10.531,	4-2ore pm	3,29	41, 21, pm	1.37
ireland	1.0220-1.0285	1.0230-1.0240	0.17-0.020 dis		0.75-0.85dis	-3.13
W. Ger.	3.89-3.93	3.50-3.97	3-2of pm	7.68	71,-61, pm	7.30
Portugal	100.70-101.50	100.80-101.30	50-110c dis		140-240 dis	-7.53
Soain	135.20-135.00	135.40-135.50	50g pm-pai	2.21	30pm-70die -	-0.66
Italy	1,7371,745-	1 741-1.742	2 line pm-par	0.69	2 pm-par	0.23
Nprway	10.91-10.67	10.631-10,6412	4-20re pm		71-51 pm	2.4
France	8.96-9.03	8:98-8.99	314-21-C Dm		814-714 DED	3.67
Swaden	9.03-9.08	9.05-9.06	21-1-oro pm		512-312 pm	1.5
Japan	457-467	4571-4821	3.05-2.85y pm		7.95-7.55 pm	5.7
Austria	28,65-28,80	28.73-28.78	18-8gio pm		60-40 pm	6.2
Switz.	3.521,-3.561,	3.634-3.544	34-24c pm		91 B's pm	10.3
Be Si	lgrum rate is l k-menth forwar	er convertible d dellar 1.15.	francs. Financi 1.05c pm, 12-m	al trans	63.40-63.50. 10-1.00c pm.	

THE DOLL	AR SPOT	AND	<b>FORWARD</b>
----------	---------	-----	----------------

May 1	Day's spresd	Close	One month	p. a.	months	% P.8
ÚK f	2.0650-2.0675	2.0600-2.0610	0.36-0,25c pm	1.75	0.55-0.55 pm	1.16
Cenndat	87.40-87.55	87,45-87.50	0.83-0.68c pm	4.48	2.13-1.92 pm	4.04
ireland t	2,0060-2,0006	2,0060-2,0085	P.05-0.03a pm	0.62	0.08-0.05 pm	0.30
Nthind.	2.0580-2.0610	2,0685-2,0605	0.68-0.58c pm	3.67	1,87-1.77 pm	3,53
Belgrum	30.20-30.30	30,26-30.28	9-8c pm		24-22 pm	3.04
Danmark	5,3000-5,3070	5.3000-5.3025	0.90-0.40ore pm		0.50pm-0.50d	
W. Gar.	1,8960-1.8896	1,8970-1,8980	0.96-0.96pf pm	5.75	2.71-2.61 pm	5,61
Portugel	48.90-49.1P	48,95-49,05	33-48c dia		90-140 dis	- 9.39
Spein	65.70-85.90	65.70-65.80	per-10c dis		25-35 dis	-1.83
luly	845.00-846-50	845,25-846,00	0.55-0.85Hre dis	-0.99	1,90-2,40dis	-1,02
Norway	5,7620-5,1650	6,1830-5,1850	00,96-0.45ors pm		2.00-1.50 pm	1.35
France	4.3600-4.3570	4.3600-4.3830	0,83-0,68c pm		2.90-2.70 pm	2,57
Swaden	4.3910-4.3960	4,3920-4,3945	0.45-0.25ore pm		1,25-1,05 pm	1.09
Japan	223,70-224.10	223,80-224,00	1.70-1.00y pm		3.15-3.00 pm	5.45
Austria	13.90-14.00	19,961-13.971,	714-67-gro pm	6.01	20-18 <sup>1</sup> , pm	5,5
Switz.	1.7150-1.7230	1.7150-1.7165	1.45-1.35c pm	9.79	4.05-3.95 pm	

CURF	REN	CY RA	TES	CURRENCY	MOVE	MENTS
April 30	Bank rate		European Currency Unit	May 1	Bank of England Index	Morgan Guaranty changes
Storling	12	0.518471	0.545270	Sterling	66.8	-37.9
U.S. 8	912	1.27269	1,33061	U.S. dollar		-7.B
Canadian S	1114	1.46579	1.61770	Canadien dollar	83.1	-14.7
Austria Sch.,	334	17.7796	18.3887	Austrian schilling.	145.8	+18.5
Bolalan F		58,3425	40.2311	Beigian franc	113.6	+13.6
lanish K		6.75761	7.06688	Benish kronof	116.7	+5.7
mark		Unavall	2.32843	Boutsche Mark		+41.5
Gulider		19	2.74106	Swiss franc	194.3	+80.4
French Fr., .	912	8.36647	5.B147B	Guilder		+ 19.7
Lira.,	JPI		1197.69	French franc	98.9	-6.7
Yen	414	282.257	295.923	Lire	64.8	-48.2
Newgn, K	7	8.39235	6.87594	Yon	189.0	+28.1
Spanish Pes	8	84.0268	87.8936	Based on trade we	Salved che	mas from
Swedich Kr	610	5,60264	6.85552	Washington agreen		
awles Fr			2.29264	(Bank of England		
						•

May 1	· •	5		Note Rates
Argentina Peso	2478-2495	· 1803-1212	Apatria	28-99
Australia Bollar			a Bolglum	53-64
Brazil Cruzciro	48.50-49.5	25.44.25 90	Denmark	1p.88-10.98
Finland Markko	8.27-8,29	4.0135.4.0236	France	8.92-8.02
Greek Brachma	_	_	Germeny	
Hong Kong Deltar	10.444-10.41	3.0690-3.0815	Italy	1,725-1,753
	147.10 157.1	0 73.75	Japan	455 465
Kuwait Dinar KB	0.570-0.580	0.2791.0.2793	Netherlands	4.20-4.27
Luxembourg Frc.		1 30.15.30.17	Nerway	10.58-10.68
Malaysia Bellar	4.541-4.55		Portugal	95.101
New Zealand Illr.	1.971p.1.97	70 P.9565 0.9695	Spain	185-189
Saudi Arab. Rival	6.92.7.03	3.3800 5.5807	Switzerland	5.50-3.87
Singapore Dellar.	4.5615-4.5725	2.2230 2.2300	United States	2,0550-2-0631
Sth. African Rand	1.75-1.76	0.8470-0.8518	Yugoslavia	42-4331

OTHER MARKETS

### **EXCHANGE CROSS RATES**

May 1	PoundSterling	u.a. Dollar	Dautschem'k	Japan'se Yen	FrenchFranc	Swise Franc	Outch Gulld'r	Italian Lira	Canada Dolla	Belgian Franc
Pound Storling	0.485	2.061	3 905	462.0	8.985	3.55B	4.245	1742.	2.366	62.15
U.S. Dollar		1.	1.895	224.3	4.581	1.717	2.060	843.8	1.145	50.16
Deutschomark	0.256	0.59B	2.459	118.3	2 301	0.806	1.087	446.0	0.605	13.98
Japanese Yen 1,006.	2.165	4.460		1000.	19,45	7.657	8.188	5769.	3.098	. 134.5
Franch Franc 10	1.115	2.293	4.346	514 2	10.	3.937	4.725	1958.	2.629	69.17
Swiss Franc	0.283	0.582	1.104	130.6	2.640	1.	1.200	492.3	0.668	17.57
Dutch Guilder	0.236	0.486	0.920	108.8	2 117	0.835	2.438	410,2	0.553	14.64
Italian Ura 1,000	0.574	1.198	2.242	265.3	5 139	2.081		1000.	1.553	35.69
Canadian Dollar	7.0.425	0.875	1.658	196.1	5.e14	1.502	1.802	738.3	5.790	26.59
Belgica Franc 108	1.609	5.315	8.283	748.4	14.48	5.692	6.830	2802.		100.

### **EURO-CURRENCY INTEREST RATES**

18hprt term 126-1858, 1014 1072 919-1015 63-7 13-1 43 10-13 9-10 243 7 day's notice. 1814-1858 1014 1012 919-1019 63-718 1-118 5-518 10-15 1019-1119 103-1015 54 Menth					<u> </u>						
7 day's notice. 181-185 101-101 91-101 67-718 1-118 5.518 10-15 101-1118 103-1010 57-4	May 1	Sterling.	U.S. Dollar		Outch Gullder	Swiss Franc			Italian Lira	Asian \$	Japanese Yen
	7 day'e notice.	131-125 1178-1274	101; 101g: 105; 105;	919-1019 103-1118	714.75	1-115	513-5	10-15   83 <sub>6</sub> -8,	1012-1118 i 11-12	1012-1056	25.44. 55.44. 45.55.

Long-term Eurodollar deposits: Two years 10%-10% per cent; three years 10%-10% per cent; lour years 10%-10% par cent; five years 10-10% per cent nominal closing rates. Super-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss Iranes. Asian issues are closing issue m Singapore.

### UK MONEY MARKET

# Large help

Bank of England Minimum
Lending Rate 12 per cent
(since April 5, 1979)
Day to day credit was in short
supply in the London money
market yesterday and the
authorities gave a large amount
of assistance. This comprised
small purchases, of Treasury
bills all direct from the discount
houses and a further moderate bouses and a further moderate sum of Treasury bills for resele at a fixed future date. In addi-tion the authorities bought a small number of local authority bills for resale at a fixed future date as well as lending a small amount to one or two houses at MLR for repayment today. The market was belped by a very small decrease in the note circulation and banks brought for-ward balances a small way over

On the other hand there was the repayment of Monday's moderate advances and revenue transfers to the Exchequer ex-ceeded Government disbursements by a small amount. Discount houses were paying 12 per cent for secured call loans for most of the day, although some funds were picked up down to 11½ per cent later on. In the in-terbank market, overnight loans opened at 12-12+ per cent where they remained until late afternoon at which point rates eased briefly to 11+111 per cent before closing at 123-13 per cent. Rates in the table below are nominal in some cases.

MONEY RATES	
NEW YORK Prime Rate Fad Funda. Treasury Bills (13-week). Treasury Bills (26-week).	11.25-11.75 10.375 9.46 9.58
GERMANY Discount flate Overnight Rate One month Three months Six months	4 5.20 5.40 5.68 5.90
PRANCE Discount flats Overnight Rate Dne month Three months Six months	9.5 6.76 8.875 7.0625 7.3125

# LONDON MONEY RATES

	May 1 1879	Sterling Certificals of daposit	Interbank		Local Auth. negotiable bonds		Company Deposits		Treasury	Eligible Bank Bills •	Fine Trade Bille &
	Overnight		1112-15	_	i – – i		1238	1112-12			_
	2 days notice.	· -	· -	1218-124	. – !	_	-	! -	_	· - 1	_
٠.	7 days or	_ ·	-		: - I	-		. –		i !	_
٠	7 days notice.	_	1218-1214	1914-124	i 1	1212		1178-12	· <del>-</del>	' 1	
	One month	12 - 17 5	1218.1214	12-124	124-12	1212	1336	115	114-112	11/6-12	125g
	Two months	111-11	1179-12	· -	1112-1118	12%		1119	11 113	112.1134	12Je
	Three months.	114 114	1150-1134	1154-2174	111/4	1214	12	; 11 <sup>-</sup>	11,4	115	117a
	Stx months		1176-11	2136-214	. 114-10 te (	.12	{ -·	_		1012-105	1115
	Nine months		121g-2114		1114-1074	2134	I —	' –	_	. ~	
	One year		101-11元	1118-114	1218-10-4	1112	_	_	_	I (	_
•	Two years			1112-1168	_		_	_	_	· – i	-

Local authority and finance houses sevan days' notice, others seven days' fixed. \* Long-term local authority morigage rates nominally three years, 115-115, per cent; four years 115-117, per cent; five years 117-12 per cent. \* Bank bill rates in table are buying rates for prime peper. Buying rates for four-month bank pills 11-115, per cent; four-month trade bills 117, per cent; salling rates for ene-month Treasury Bills 117, per cent; two-month 114, per cent; three-month 115, per cent; and three-month 115, per cent; one-month trade bills 1115, per cent; two-month 115, per cent; and three-month 115, per cent; one-month trade bills 1115, per cent; two-month 115, per cent; and three-month 115, per cent; one-month trade bills 125, per cent; two-month 125, per cent; send three-month 115, per cent; one-month trade bills 125, per cent; two-month 125, per cent; send three-month 115, per cent; one-month 115, per cent;

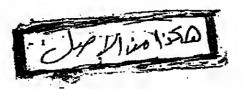
# INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE. We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.



Please help—send a donation today to: Room F.1., The Multiple Sclerosis Society of G.B. and N.I., 4 Tachbrook Street, London SW1 1SJ

This announcement appears as a matter of record only



# **GULF CEMENT** COMPANY

Ras Al-Khaimah, United Arab Emirates

U.S.\$67,553,750

Syndicated Guarantee Facility

Managed and Provided by

Alahli Bank of Kuwait (K.S.C.)

American Express International Banking Corporation Arab African International Bank-Cairo The Industrial Bank of Kuwait, K.S.C.

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Agent

The Industrial Bank of Kuwait, K.S.C.

December 1978

This announcement appears as a matter of record only.

\$60,000,000

Project Financing Term Loan

**VOLVO DO BRASIL MOTORES** E VEICULOS S.A.

Curitiba, State of Parana, Brazil

Provided by

International Finance Corporation Bank of America NT & SA Midland Bank Limited **PK**banken Skandinaviska Enskilda Banken Svenska Handelsbanken Union Bank of Switzerland Algemene Bank Nederland N.V.

The loan is being made through ... International Finance Corporation participation certificates.

April, 1979

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Indices

Since Compil'ty

High Low

NEW YORK-DOW JOHES

# Dow regains 3 points in active early trade

INVESTMENT DOLLAR PREMIUM

THE LATER rallying tendency which developed on Wall Street on Monday was carried 9 stage

Tha Dow Jenes Industrial Average recorded an improvement of 3.03 at 857.93 at 1 pm. The NYSE All Common Index

Closing prices and market reports were not evailable for this edition.

regained 16 ceots to \$57.52, while advancing issues held a seven-to-five ratio lead over declines. Turnsver expanded to 15 \$123 on the American SE.

21.20m shares from the previous days. 1 nm Sairon of the previous days. 1 nm Sairon of the previous days. 1 nm Sairon of the previous days. days 1 pm figures of 17.94m. Analysts sald there was some hope the Federal Reserve might not further tighten credit for the present after its slight firming

move conducted last Friday.
In addition, some investors were cheered by the hetter nerformance of IBM's slock than has been evident in recent However, analysts added that

conflicting economic recorts over the past few days continued to leave investors uncertain about the outlook for the ecopemy and

**NEW YORK** 

Amer Advirines... 116s | 117s Amer. Brands... 58 | 571s Amer. Brands... 58 | 571s Amer. Grandc'st | 377s Amer. Cyanamid | 267s | 291s Amer. List. Teis... 24 | 854 Amer. Elect. Pow | 21bs | 211s Amer. Exgress... 291s | 301s Amer. HomeProd | 561s | 261s Amer. Medical... 261s | 261s

Assignd Oil

Beatrio Food ..... 214

1914 | 1836 4418 | 441. 6512 | 6536 3814 | 32

INVESTMENT DOLLAR
PREMIUM

\$2.60 to £1-59½% (55½%)

Effective \$2.0605-26½% (23½%)

THE LATER rallying tendency which developed on Wall Street on Monday was carried a rice.

on Monday was carried a stage further in active early dealings yesterday, leaving stocks displaying a higher bias at midstession.

The Dow Janes Industrial prices yesterday.

RCA lost 4 to \$251. The company stated that its 1979 results would improve despite an expected drop in the earnings of its National Broadcasting subsidiary. diary.

F. W. Woolworth slipped & to \$25%. Edger Equities on Mon-day increased its holding in Brascan to about 18 per cent and is to call for a special share-holders meeting to try to pre-vent Brascan from pursuing plans to acquire Woolworth. Trading was heavy again yester-day in Brascan, which eased;

reporting sharply higher first-quarter net profits and predicting further gans for the rest of Santa Fe International, which lost 5 points on Monday, shed another 14 to \$245. The company is expecting to make lower

reported reduced instellation 0.45 to 308.72 and Culture 0.15 net earnings and lost 2½ to \$25.08. Papers, in contrast, Trading Houses, which were reported to be increasing their Value Index scored a fresh gain of 0.87 at 185.05 at 1 pm follow- to 70 ceots. The company has selves attracting speculative

Corning Glass ... e512 56-CP Jin t'mation' 4978 4238 Grane Co... 3034 3016 Crocker Nati ... 293 Crown Zollerb'h. 5414 3678 Cummins Engine 30 3718 Curtiss Wright ... 1638 14478

F.M.C. 2558 3668.
Ford Motor 3438 4439
Foremost Mik. 1819 1839
Foxboro. 3612 6612
Franklin Mint. 758 758
Freeport Mineral 4558 4554
Fruehauft. 35 358
Fuqua Inds. 1114 1188

2554 20 17:8 25:4 28:4 27 11:4 27:4 14:4 27:4 39:4 15:4 27:5 41:5 39:4 15:4 27:5 39:4

Overseas Shig..... 2639 Owene Corning.... 2736 Owene Illineis..... 20 Pacific Das ...... 2914

Brascan topped the Amer \$7! on announcing higher actives list again on volume of earnings.

actives list again 6n volums 6f more than 3m shares.

Anken Iodustries mov5d ahead 2? 10 \$281. Rhooc Poulenc SA is planning to tender for 2ll Anken's Common ztock 9t a price of \$21 2 share. Xidex has withdrawn its \$20 per share hid for Anken.

The Manogement index rose in the Manogement index rose which welghs heavily on the index rose in the Manogement index rose in the Manogement index rose in the Manogement index rose which welghs heavily on the index rose in the Manogement index rose in the Manogemen

Cruicher Resources slipped : to \$14; on a decline to firstquarter profits.

Sundance Oil rose 17 to \$301 and Dome Petroleum 11 to ;121].

# Canada

Bank of Montreal, C\$24; and Royal Baok, C\$40; each odded l, white Canadian Imperial edged

pany is expecting to 1979 results.

Alaska Interstate receded 13 to while Golds rose 15.5 to 1,650.5 while Golds rose 15.5 to 1,650.5 on index. Oils and Gos gained of index.

Royal Dutch....

RTE
ROSA TOGS
Ryder System
Safeway Stores.
St. Jee Minerals.
St. Regis Paper.
Santa Fo Inds
Saul Invest.
Saxen Inds.
Schiltz Brewing.
Gohlumberger...
SCM

SCM.....Scott Paper....

Scovil Mrg..... Scudder Iluo Cap

Southern Cal.Ed. 24%

Southern Railw'y 545g
Southland 275g
Swithland 275g
Swith Banshares 225g
Sgerry Hutoh 161g
Sperry Rand 421g
Squibb 317g
Standard Brand 241g
Std.Oil California 451g
Std.Oil Chifornia 451g
Std.Oil Ohio 503g,
Std.Oil Ohio 431g
Starling Orug 191g
Storage Technigy 445g
Sundstrand 525g
Sundstrand 525g
Syntox 251g
Syntox 375g

Southern Co......

### Tokyo

After Monday's boliday closure, the market made further head-way in heavy dealings, hul huying was selective and market apprehension ever pessible margin trading curbe resulted in some gains being eroded in leter trading.

higher to CS271.

After sharply increased octivity yesterday morning, stock

The Nikkei-Dow Jones Average, however, was still 20.16 higher on the day at 6,236.92, while the prices disployed a preponder-ance of gains.

The Torento Composite Index

The Torento Composite Index

Substantial 640m shares.

CANADA

Pan CanPetrol'mi 60

Among export orientated issues. Sooy rose Y60 to Y2,240, Ploneer Electronic Y40 to Y2,380, Mitsui Y11 to Y335 and Nissan Motors Y6 to Y716, but Honda

Motors finished Y8 down 2t Y592 cents to A\$4.70. and Canon Y7 off at Y573. Elscwhere in Elsewhare, Mitsukoshi added Y9 at Y494, Teijio Y17 at Y147 and Fuji Photo YS at Y658.

### Hong Kong

Stack prices were mixed but with a slightly firmer bias, and the Hang Seng index put on 1.82 more to 539.64.

Hong Kong Land rose 1 cents nong Keng Land roze 1 cents to HK\$8.00 and Hong Kong Electricity 7.5 cents to HK\$4.70, while Hutchison Whampea.

while Hutchison Whampsa, HK\$4.125, and Whelock "A," HK\$3.225, gained 5 cents spiece. In contrast Hang Seng B2ok lozt HK\$1 to HK\$148, China Light 10 cents to HK\$21.10 and Greo Island Cement 10 cents to

### Australia

Expert - orientated atocks, ferrous Metals, Shippings and Trading Houses met huying moved ahead 6.92 further to atteotion. and overseas support noted. The Sydney All Ordinaries iodex moved ahead 6.92 further to 582.87, while the Industrials index rose 4.74 to 480.56 and the Metals and Minerals index 52.60 to 2,958.85.

to 2,958.85.

A good deal of the buying for leading Resources issues came late in the session. A leading Melbourne broker, who also operates from the Sydney floor, came in strongly for the leading Miners and was reported to he buying for London interests. The buying appeared to be related to an opinion poll which indicated that the British Conservatives that the British Conservatives might oot win a workable majority for the next Parliament.

and represented a defensive tactic. Western Mining featored with an advance of 12 cents to A\$2.39, boosted by the recent upsurge in the nickel price. Gold sbares improved behind the higher London Bullion price, with Consolidated Goldfields gaining 5 cents to A\$3.55. Ceal Mining issues were well

fevoured, helped by an organisa-tion for Economic Co-operation

Treatment of Surface Control of Surface Chemics extract.

 Swift 500 denem. and Bearer shares unless otherwise stated. I YEO denom. Ights. Increased of suspension. o Florins. b Schillings. Increased.

May 1 Fig. + or niv. Yid-

AMSTERDAM

**GERMANY +** Apr. 30

tion that coal exports would increase six-fold in the 1980'z Utah cirengthened 10 ceots to AS3.60, Coal and Allied 16 cents to AS5.56 and Howard Smith 15

Elscwhere in Minings, Aber-foyle climbed 15 cents to A\$1.90, Associated Minerals 10 cents to AS1.60 and MIM 5 cents to A\$3.23.

AS1.60 and MIM 5 cents to AS3.23.

Banks were is huoyant mood, with ANZ advancing 12 cents to AS4.32 and BNS Wales 7 cents to AS3.47. The interim profit reports are due shortly.

Myer gained 5 cents to AS1.66 in firm Stores, while Proporties, Building Materials groups, Forgingers Represent Trans.

After the recent rise on expectations of Government approval for a sugar price increase, Bundzherg reacted 5 cents to A\$3.85 but CSR held

oils mainly gained ground, but gas produced Santos retreated 35 cents to A\$3.40 in its first trade since the South Australian Government decided to limit individual shareholders in the company to 2 maximum holding of 15 per cent. Major stock-helders. Bend Corporatioo, recevered 1 cent to 51 cents.

# Johannesburg

Gold shares were inclined to Improve afresh in further quiet trading in line with higher Bullon prices. Of 42 gold issues traded, 24 were higher

and six lower. Mining Financials were quietly firmer, shadowing gold pro-ducers. Diamond leader De Beers advanced 11 cents to R8.35. Platinums, after recent strength closed mixed to firmer. Rusplats added 5 cents at R2.07, but implats shed 3 cents to R4.27. Coal shores were higher.
Industrials continued to move

### indecisely with no clear trend. MARKETS CLOSED

Stock markets in the following countries were closed yesterday for the Labsur/May Dey boliday:
Germany, France, Belgium,
Switzerland, Italy, Sweden,
Spain Austria Norway and
Singapore.

c Cents. e Oividend after pending rights and/er scrip Iseue. c Per ehers. I Frence. o Gross div. %. k Assumed dividend after scrig end/or rights Iseus. k After local toxes. m % tax free. n Frence Including United div. p Nom. o Share epfit. s Div. and yield exclude special payment. t Indicated div. s Unofficial trading. p Minority holders only. p Merger pending. Aeked. † Bid.

Source Hikke Securities, BRUSSELS/LUXEMBOURG

Apr. 67

SWITZERLAND ?

H'me B'nds 80.58 00.69 84.01 94.14 84.24 84.13 85.59 (50.4)
Transport., 228.06 900.88 23 1.94 232.01 252.02 231.11 256.25 (27.2)
Utilities ..... 199.88 101,18 161,75 182.20 102.27 192.55 194.94 (8/4) 26,569 29,670 S 2,520 31,790 55,570 25.690

67.36 57.40 67.52 57.80 58.18 63.88

Helland (25) 78.5 (r)

♦ Day'e high 859.49 low 84	7.98	· ·				
	Apr. 27	Apr. 20	Apr. 12	Year ago (appro		
Ind. eiv. yleid 🖫	5,79	5.78	5.58	5,58		
STANDARD AND POORS						

TANDARD	AND P	OORS										
		1					. 127	19	Since C	mpii't'n		
	Apr.	April 27	Apr. 26	Apr.	Apr.	Apr-	Nigh	Low	Nigh.	Low		
ndust'ls								(27)21	154.04 (11/1/73) 1 <b>25.</b> 85	3,54 (30/6/32)		
omposite	101.75	101.88	102,01	102.58	102.28	101.57	100,54 (16/10	96, IS (27,7)	125.85  11/1/6)	_4.48 (1/6/32		
			Ap	d i 25	Apr.	18 ;	Aorii 1	1 Ye	ar ego (a	ipprox).		
d. div. yiel	d Z		. 5.	.08	5,1	0 į	5.08		5,02	· ·		
d. P/E Ratio		8.	8,71		0	8.87	_/·	9.18				

Long Gov. Bond Yield 2.11 April 30 Agr. 27 Apr. 26 Rises Traded 1,894
Rises 810
Falls 783
Unchanged 001
New Highs 77 Apr. | Apr. | Apr. | April | 10w

1 1 .	1 (2014)	,		W LOW	36.	loil —
MORTREAL	i .	. · . i		· 1	1	972
. "	Apr. 30	Apr.	Apr. 26	Aoril 25	Nigh	Low
Industrial . Combined	247.25 250.51	247,88 251,91		247.58 250.80	250,81  27(8) 251,21  814)	219-18 (2/1) 225-80 (2/1)
TORONTO Composite	1484.8	1482,5	1480,4	1480.6	1484.8 (89/4)	1015,8 (2/11
JOHANNESBURG / Cold Industrial	255.5 516.4	252, li 318,6	252.0 318.5	25 1.71 317.8	250.7 (7/2) 025.0 (5/4)	228-4 (1714). 270.5  2/11

1			252, li 318.6	252.0 518,5	25 1.71 317.3		0.7 (7) 8.0 (5)		228.4 ( 270.5	
	Pre- vious	1279 Hlgh	1979 Low			-(	May 1	Pre- vious	1879 Nigh	1079 Low
•	675.56	597.68 (19/6)	545.72 (2/11	8pa	in	(4)	(r)	(c)	111.85	93.03 (12/1)
	<sub>1</sub> (6)	(24,4)	13/11	Swe	eden	(e)	lc)	(1)	401.34	353.48 (274)
	96.87	98.38	82.32 (8/1)	Swi	tzerid	17) 	(c)	528.2	(30/4)	(3/1)
	B1.4	(24/4)	(15/2)	000			§§ A	meterde	am Inc	ustrial
	784.8	(16/1)	774.2 (26/3) 75.8	HM E			mmen		teliene 68. b	1972. Strake
	(r) 587.82	85.2 (24/11 568,90	(21/3) 493.83	Tim	OF 15	166.	c GI	losed. Im Indi	d Mad ustrial	1/1/58
	201.07	46.00	400.00	/ 5v	vise B	ank	Gen	meitatos		navell

Hong Kong 538.84 557.82 568.90 433.85 (6/2) (2/1)  Ibaly (16) (7) 74.60 78.46 68.48 (2/1)	29/12/78. c Stockholm Industrial 1/1/1 1 5wise Bank Gerporation, u Unave able.
Japan 1/1 468.16 45   88 482.87 450.22 (31.11   110/41	MONDAY'S ACTIVE STOCKS Chen Stocke Glosing on
Indices and bass dates (all base values 100 except HYSE All Common-50; Standards and Peors—10; and Teronio 300—1,000; the lest named based en 19751. † Excluding baseds, 400 Industrials, 400 Unitries, 40 Finance and 20 France-1, Sydney All Ordinary. ii 9eiglan \$2	treded price der treded price der treded price der treded price der treded price tr
31/12/63. ** Copenhagen SE 1/1/73 t† Paris Sourse 1961. ## Commerzbank	Goodyear Tire. 233,600 17½ Sears Roebuck 207,400 20½

led. ‡ Sel . xd Ex . xa Ex sed.	ler. s /	4saume	d. X	r Ex Icrip	Unities, 40 Finance and 1 Sydney All Ordinary. 31/12/63. ** Copenhage	1 20 Tran 1 9elek 10 SE	800rt. an 3E	F.W. Woolwert G. O. Searle Goodyear Tire, Sears Roebuc	242,850	15 <sup>3</sup>	
YO T					AUSTRALIA	:		STOCKHOLM		• .	
May 1	Yen	+ or	DIV.	% A	May 1	Aust. S	+ or	Apr. 27	Price	+ or	Div. Kr.
Glass		+6	14	2.0			:				_
n		-7	12	1.0	ACMIL (25 cents)	10.05	****	AGA AB IKr. 401		-4	8
······································		<b> -8</b>	25	1.5	Acrow Australia	- 11.00	-	Alfa Lavalikr,50	126 .		6
0	S80 690	+4	18	2.0	AMATIL SI	t2.3Q_	. 49.0 5	ASEA(Kr.50)	06.5		0
ipponPrint		_p.		1.6	Ampol Exploration	†1.40		Atlas Cop. K125	22mi -		7 ·
hoto		+8	15	1.1	Ampol Petroleum	10.71	****	Billerud	57.5	+0.5 ¦	-
hl	254		12	2.4	Assoc. Minerals	<b>†1.60</b>	1+0.10	Bofers	120		
a Motors		-8	19	1.5	Assoc. Pulp Paper 6		-0.02	Carde	162 -		6.76
e Food		+9	35	1.9	Audimeo 25 cents		-0.01	Cellulosa			11
ñ	330	+ 10	12	1.8	Aust. Consolidated Inds.		+0.83	Elec'lux'8:(Kr50			6.26
ekade	1,450	<del> -</del> 10	30	1.0	Aust. Foundation Inv		+8.01	Ericason 8 (Kr50	129	+2	- 6.5
	680	ļ <u></u>	13	1.1	Aust. National Industries		1	Esseite IFree)	1 142 :-	-6 1	. 4
	,2,880	-20		1 Tal.	Aust. Oil & Gas	+1.10	+0.05	Fagerata		-2	4
ai Eloct.PW	310	1	10	0.6	Bamboo Greek Cold		40.01	Granges   Free			
teu	353	Per sullant	18	2,5	Blue Metal Ind			Handolsbanken	340		16.5
ta	282	1	15	2.7	Boral	12.09	+0.04	Marabou	148		9
-Ceramic.	3,400	-20	35	0.5	Bouga inville Copper	15.00	+4.81	Mo Och Domaic		-2	2.50
ushita Ind.		44 .	20	1.3	Brambles Industries			Sandvik B'Kr100			6.50
bishi Bank			10	1.5	Srambles Industries	19.70	+0.82	3.K.F. '8' Kr.50	58.0		
bishi Ho'vy		+6	12	4.1	Broken NIII Proprietary.	t1.40		5kand Enskilda.			4,5
bishi Corp	442	+6	13	1.5	8H South			TandstikB(Kr50			2
1 & Co		+11	14	2.1	Carlton United Brewery.	†1.70	+0.02	I didoptive KL20			6
koshi	494	179	20	2.6	CSR (e1)	†3. <u>7</u> 5	*****	Uddehelm		1 1	
n Denso		1	15	0.6	Cockburn Gement	\$1.32	+0.02	Volvo (Kr 56)	84.5,-	-0.5 [	7
n\$hlmpan	669	2	12	0.8	Coles (G.J.)	12.05	-0.04				
n Motors		+6	16	1.1	Cons. Colofields Aust	13,05	+0.05				
II MVW18			48		Container   \$1;	12.32					
or		-40		1.0	Conzine Riotinto	t3.66	. /	-			
Elect		<u>⊱1.</u> j	19	1.8	Costain Australia	1.36		OZFO			. •
ui Profab		+5.	36	1.9	Dunico Rubber 166 cont	10.84	10.52		_		
Ido			56	0.8	ESCOR.	10.23			Price  -	FOL	niv.'
		+06	40	0.9	Elder-Smith	15.75	10.05	Apr. 30	Kroner	- 1	2 1
e Marine		1	11	2.3	Endeavour Resources	10.18					
ia Chem	517	+1	16	1.4	E 7 Industrial		*****	Bergen Bank	100		6
	1.570	+40	30	0.8	E.Z. Industries	†3.28		Borreamend	1 200		٠,

Hamereley.... Hooker...... IOI Australia

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Apr. 30	Price   For Kroneri —	niv.
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6.0

JOHANN	IESBURG
May †	MINE

HANNESBURG		
MINES		
sy † 1910 American Con.	Rand 7.50	+61-
arier Conselidated .	14.30 13.75	-0.10 +0.2
rmony	1.95	+6.08
901	6.25 13.15	
Helena Platinum	3.07	+0.0°
ple Fields 5A	16.50 11.10	+0.1
Seors Coloration	7.50	+6
/VOOJUILTICH 1	9.35 6.35	+0
st Rand Pry.	5.80 30.00	-0·
sideni Brand	10 30	

Oil Search Otter Expleration Pioneer Oncrete Reckitt & Colman Sleigh IH-C.) Southland Mining Sparges Exploration Thomas Nat. Trans. Tooths i3 Waltons Western Mining 150c) Woolworths	10.15 +0.01 16.38 11.38 12.50 +0.01 10.22 +0.01 10.22 +0.01 10.22 -0.02 11.33 11.75 10.58 +0.12 11.48	Narmony Kinross Kinross Kinross Kinol Rusisnburg St. Helena South Vosl Gole Fields Union Gorr Go George Glyvoorout; East Rand Fre Sinte President President Stillontoin Vielkem
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Volume 65.2m

2		Prosident Brand 19.25
ō		Sulfontoin 14.30
D	PARIS	West Discourse 6.50
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5	Price + or Div. Yld.	Western Holding 44.50
9		Vestern Holdings 138.00
2		мер 14,75
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	Afrique Occ'd't 831 -4.5 24.75 7.5	AECI
L	Air Liquido 410 +2.0 16.5 4.0	
	Air Liquido 410 +2.0 16.5 4.0 Aquitaine 581 -1 28.25 4.3	Annio-Amer. Industriel 15.50
	585 —10 13.95 2.6	Sarlow Rend 5.70
	8iC 585 -10 13.95 2.6 Bouygues 940 -4 42 4.5	CNA Investor 5.70
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	B.S.N. Gervals 587 +2 40.5 6.0 Carrefour	Gurie Finance 2.70
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,	Fr. Petrolog 160 e 17 33.75 4.7	
٠	Gon. Occidentia 256 5 05 10.	McCarthy Redway 0.78
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١.	recomment   10.1:40.7 7.0 8.6	
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(Discount of	34.2%)		
SPAIN ♥  *April 27  Aslend  Banco Gentrol  Banco Exterior  9 Granada (1.000)  8 snco Hisoana  8 co. I. Cat. [1.000]  8 anco Modrid  8. Sanrander (250)  Boo. Uromio (1.900)  Banco Vizcava  Anco Zaragozana  Drisendas  Fepanela Zinc  Fecas (1.000)  Gal Preciades  Hidrola  Iberuedo  Patrolibor  Patrolees  Snince  Snince	Por cer 121 310 284 134 158 279 269 279 248 190 55, 75 66, 25	+ 6 - 3 - 3 - 9 + 0.7	
Sonefisa	120	_	

COPENHAGEN # **YIENNA** 

+6 8 6.1 -1 8 8 5.5 -1 4 8 5.5

Agr. e6 Price + or Div. Yle. 

Newlett Packard 9314 9414 Heliday Inns...... 20 1912 Homestake ..... 31 2 3118 Henoywell ..... 6618 6614 | Newlett Packard | 9314 | 9414 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 1912 | 191 Columbia Gas..... 2814 Columbia Pict.... 2414 Com.InsCo.ef Am 1678 Combustion Eng. 38 9 Combustion Eg. 1016 G'M'wth Edison... 24 Comm. Satellite ComputerScience Conn Life Ins..... | 12-3 | 15 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16.3 | 16

**EUROPEAN OPTIONS EXCHANGE** ABN G F.364.20 AKZ C F.32.50 AKZ C F.32.50 AKB G F.75 EK G \$60 FNC C \$25 HO G F.30. HO C F32.50 HO G F.30. HO G F.30. HO G F.30. KLM G F.100 KLM C F.1180 KLM C F.1180 .10 - F.74.70 712 863 43 11: \2234 - F.32.60 5314:2 F.1 15.50 2 5 10 KLM G 0.50 0.30 F.26.50 20 21 4 16.40 133 11.80 45 7.10 55 3.50 15 2 20 4 188 45 55 15 F. 120 F. 125 F. 130 F. 135 F. 140 F. 135 F. 140 F. 130 容母母母母 1 6.50 1 5 F.130.20 May Nov,

10

1101

\$4656 10 \$20 15 \$25 25

TOTAL VOLUME IN CONTRACTS

C=Call

U.A.L. 2418 2456
UARCO. 51 3118
UG. 51 3118
UG. 51 21
UNG Resources. 17 1718
Unilever 50 50
Unilever NV. 63 6312
Union Bancorp. 3254 3812
Union Carbide. 5778 3773
UnionCommerce 612 914
Union Oil Calif. 6912 6918
Union Pacific 64 6358
Uniroyei 7 7
Unitee Brands. 818 878
US Bancorp. 25.75, 2614
UG Sypsum 3054 3058
US Shoe 21 2138
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US Steel 2318 9358
Utd Technologies 32 3058
Utd Technologies 32 3058
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Utd Technologies 32 3214
Wastern 23 2358
Warner-Commin. 3458 355
Warner-Lambert 28 2358
Warner-Lambert 293 2914
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Williaro Co. 1866 1878 BASE LENDING RATES

A.B.N. Bank 12 % Hill Samuel 512 % Allied Irish Bonks Ltd. 12 % C. Hoare & Co. 12 % Julian S. Hodge 13 % Julian S. Hodge 13 % Hory Anshacber 12 % Hongkoog & Shanghai 12 % Industrial Bk. of Scot. 12 % Keyser Ulimano 12 % Knowsley & Co. Ltd. 13 % Knowsley & Co. Ltd. 13 % Knowsley & Co. Ltd. 13 % Lloyds Bank 12 % London Mercantile 12 % Bank of Cyprus 12 % Edward Manson & C6. 13 % Midland Bank 12 % Banque Belge Ltd. 12 % Samuel Morgan Grenfell 12 % Samuel Morgan Grenfell 12 % Morgan Grenfell 12 %

Morgan Grenfell 12 %

National Westminster 12 %

Norwich Geoeral Trust 12 %

P. S. Refson & Co. 12 %

Rossminster 12 %

Royal Bk. Canada Tst. 12 %

Schlesinger Limited 12 %

E. S. Schwah 13 %

Security Trust Co. Ltd. 13 %

Shenley Trust Co. Ltd. 13 %

Shenley Trust 14 %

Trade Dev. Bank 12 % Cedar Holdings 12 %
Charterhouse Japhel 12 %
Choulartoos 12 %
C. E. Coates 12 %
Consolidated Credits 12 %
Coroniblas Secs. 12 %
Credit I yonoais 12 %
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English Transcont 12 %
English Transcont 12 %
First Nat. Secs. Ltd. 14 %
First Nat. Secs. Ltd. 14 %
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E Hambers Bank 12 %
I call deposits over \$1,000 \$\frac{9}{2}\%\$.

E Hambers Bank 12 %
I call deposits over \$1,000 \$\frac{9}{2}\%\$.

Price +or Div. Yie 

# Austrian Banking

A new banking law and moves against "grey" interest rates pose new challenges to Austrian credit institutions. In this survey Paul Lendvai, our Vienna Correspondent, reviews the changes within the country's unique banking system and the risks involved in state control and industrial holdings

# Advance dynamic sector

NEW DEVELOPMENTS, including enactment of the first comprehensive banking legislation since the 1939-45 world war and the conclusion of a controversial interest rate agreement have given a powerful push both to the trend towards universal banking and to the competition for deposits in

Banking has gradually become one of the country's most dynamic sectors in an expanding economy. So, for example, the number of bank employees almost doubled to 56,000 between 1967 and 1978, while during the same period overall employment was up by only about 3 per cent.

Since the de facto liberalisation of the foundation of new bank branches in mid-1977, the number of banks and offices been reduced in the meantime, has jumped by almost one-fifth to a grand total of 4,489. Last year alone 524 new branches per cent in 1976, several influenopened, a figure above the combined total of all new offices opened between 1970-76. The ratio is currently one bank consumer loans which, since branch per 1,700 inhabitants and there is no sign of a panse in by more than 0.55 per cent m 1976, several intuences in 1976, several intuences in

incomes with a marked shift in 15bn and economic growth also per cent of the GNP on the import side and, last but not least, the public financing requirements in a country where capital investments as a percentage of the GNP are con- Schilling, still closely linked to siderably higher than in Western Germany.

Another important point is that the changes in the structure of Austrian banking coincide with a relatively favourable economic and external payments situation. The restrictive fiscal and monetary measures taken in October 1977, combined with exemplary labour peace (in 1977 nnly one tenth of a second per worker was lost due to strikes) and better than expected exports, bave produced a surprisingly quick turnround in the external pay-ments. The current account deficit which - adjusted for errors and omissions—jumped to Sch 20bn (£68m) in 1976 and in Sch 29bn in 1977 was reduced last year to the very low figure of Sch 6bn. The visible trade gap was also narrowed by a quarter to Sch 52bn compared to the year

before. As the inflation rate has also to 3.6 per cent last year from 5.5 per cent in 1977 and 7.6

The dynamic trends in banking business reflect of course by 1.3 per cent (instead of 1.1 the long period of rapid econo-

president of the Central Bank, is likely to turn a deaf ear to the clamour for lifting the restrictions.

How to maintain the hard the D-mark and to keep the current account deficit within restraining consumer demand too much and dampening to 7.46 per cent on the second-growth, is a daunting task even any market in April this year. under normal circumstances, let alone in a crucial election year. After all, even the ruling Socialists cannot dispute the fact that the federal debt jumped from 10 per cent of the GNP in 1974 to 26 per cent in 1978 and the cost of servicing it rose from 7 per cent of the fiscal revenues to 15 per cent. The net budget deficit last year was 4.2 per cent of the GNP as against 2 per cent five years

earlier.

Joint-stock banks & bankers?

Farmers co-ops. (Raiffeisen)

Credit unions (Volksbanken)

Savings hanks

sectors, the Central Bank reduced the discount rate in two phases (June 29, 1978 and January 25 this year) from 51 per cent to 41 per cent and most recently to 31 per cent.

GROWTH IN BRANCH BANKING NETWORK

Includes also mortgage banks, building accieties and specialist banks and, until 1978, instalment

Four out of seven former bire-purchase banks and 102 out of 107 branch offices are as of 1978

recorded under the heading "commercial banks" and the steep increase last year in the commercial banks' offices is due to this shift.

Banks Offices Total

555

643 1,984

168

1,341

Meanwhile, the bond market fell from a gross yield of 8.73 in the first quarter of 1978 to 7.25 per cent for new issues and ary market in April this year. The interest rate differential last year between Austria on the one hand and West Germany and Switzerland on the other led to an unprecedented, almost sixfold rise in purchases of Austrian securities by non-modernic to Sch 2.1bn. residents to Sch 2.1bn. Foreigners purchased 5 per cent (in the second quarter even S per centi of the new issues.

It is against this background

mic growth (averaging 4.5 per of this year. But with the curthat the conroversies over Austria, may quickly backfire, interest rate nn normal savings key provisions: first the ing 7.5 per cent of the bank's cent a year between 1957-1977), rent account deficit this year interest rates, and, in a longer In any case, the monetary accounts (with no statutory interest on ordinary savings total likely to the consequences of authorities are already con-withdrawal clause) and of deposits must be half of the granted to one individual boxthe latest interest rate fixing by sidering a readjustment of the the national income distri- picking up speed from 1.5 per the banks, must be seen. To discount rate to the changed bution, a heavy involvement in cent in 1978 to "at least" 3.5 stimulate growth and to avoid situation in Germany, foreign trade, amounting to 30 per cent. Prof. Stephan Koren, massive lay-offs in certain. This in turn may have an

1 this year. The new deal's key feature is that the violation of the rates fixed by the banks, savings banks, farmers' cooperative banks, credit uoion (Volksbanken) and the Post

The punitive clause coupled with the fear of spot checks undertaken by the competitors has put an effective end to the As a result of the recent trends time-honoured institution of towards higher interest rates in the so-called "grey" interest Germany, the concerted moves rates. They meant that regardreduce interest rates in less of the nominal 4 per cent

Banks Offices Total

1,311 951 2,262

47 576 623

835 1,001

impact not only on the direction of capital flows and domestic liquidity but also on the agreement about the range of interest rates on bank deposits which came into force on March 1 this year. The new deal's key was text free. Office Savings Bank is subject to fines ranging from Sch 100,000 to Sch 500,000.

### Punitive

agreed rates for deposits subject to longer notices, bank nominal branches could pay a rate, domestic Schilling bonds; and approaching or even surpassing second, the bigbest rate on long-term bond rates. So, last savings deposits under the year, the going "grey" rate on agreement must remain 1 per-

was tax free. As 77 per cent of Austrian households with an average monthly income of Scb 5,000 to Sch 8,000 run a savings account. but only one in three have a building society deposit and a expansion of branches for a merc 3 per cent own bonds, maximum period of three years. any change affecting the savings deposits, totalling Sch 433hn at the end of 1978, is bound to bave serious reper-

Therefore the new agreement, fixing a maximum ceiling of 6.5 per cent on saviogs deposits, subject to a minimum of 36 months' notice, and eliminating the "grey" interest rates, has engendered a distinct

shift from savings into long-term investments. It is estimated that during the first quarter of this your 2 to 3 per ceot of all savings channelled into bonds. While last year savings deposits were up by 17.2 per cent, in February they dropped by 0.5

The agreement, which can be reviewed every six months and termioated quarterly by any of the participants, is linked to the new banking law and came into force on the same day. new legislation is profoundly "Austrian" in its coaracter. While it allows the banks to fix interest rates oo deposits freely, the law also contains two

average of rate interest centage point below the average bond rate calculated on the same

basis. What are the main features of the new banking legislation? The fundation of new bank branches (but not by foreign credit institutions) is no longer subject to a licensing procedure by the Ministry of Finance. However, the Treasury can stop the maximum period of three years.
Observers regard it as highly significant that a Socialist government was willing to reaffirm bank secrecy and for

the first time the principle is spelt out in a law with violators liable to a prison term of up to one year or corresponding fines It should also be stressed that Austria-in contrast to Switzerland-anynne can open accounts and withdraw funds giving a pass-word instead of his name.

### Mergers

A number of new or modified provisions aim to protect both clients and sbareholders. So, from now on, every credit instiluition must have at least two fully responsible managers. This regulation primarily affects many small farmers, rural cooperative banks or credit unions, often run on an booorary basis, and is also bound to accelerate the process of mergers.

Further, no individual borrowerer may have losos exceed-

rower and exceeding 1 per cent of the liabilities must be approved by the supervisory board. By the end of 1981 new lifeboat schemes must be drawn up and adopted in all sectors to protect small investors in case of a bankruptcy. Under the new law, the maximum and minimum size of the obligatory liquidity reserves is spelled out. Banks should bare o capital ratio of at least 4 per cent of their total liabilities. However, the relevant paragraph does not provide for an actual broaden ing of the capital basis but merely for a more favourable method of calculating the capital ratios. It will help savings banks and mortgage banks to attract additional capital. In the case of the other banks it simply means a bigber nominal ratio without changing anything

This is the background to the almost brutally frank statement made recently by Dr. Heinrich Treichl, director-general and chairman of the board of the Creditanstalt Bankverein, that foreign observers will continue to orientate themselves accord-ing to the classic criteria. Therefore, according to the new law, the Creditanstalt's own resources amounted to 8.7 per ceot of the liabilities, yet according to the previous provisions the ratio would be merely 4.2 per ceot.

in reality.

A tightening of control and supervision is also provided for. So the Finance Minister is to appoint a state commissioner to all banks with a balance sbeet exceeding Sch.5bn. All credit institutions regardless of their legal status, are oow re-

CONTINUED ON NEXT PAGE

# DO YOU KNOW A COMMON FACTOR BETWEEN 90 OF THE TOP 100 COMPANIES IN AUSTRIA?

Banks Offices Total

627

255

1,327

387 429

761 2.088

795

410

3,965

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vienna, a century ago, the capital of Austro-Hungarian Empire, today, the center for Eastern European trade, serving as a turntable for the exchange goods services and know-how between East and West 400 international of goods, services and know-how between East and West. 400 international or goods, services and know-how between East and West 400 in firms are actively engaged in serving from Vienna the expanding COMECON Market.
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mediator in delicate negointions Numcrous international organizations including the U.N. and OPEC also reside in

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takes good care af yau.





# Industrial links still strong

nor the nine-year long rule of Dr. Kreisky's Socialist Governmeot bas changed a basic and internationally unique feature of Austrian banking: the close involvement with industry. In a sense, the Austrian situation is even more unusual than the German system of banks' indus-

trial boldings.

The point is that since 1946
both joint-steck banks, which control a large amount of domestic industry have been under majority ownership of the state. So the industrial bold-ings of the two banks should in theory be regarded as an extension of the state-controlled sector, the more so since its directors-general are appointed (or re-appointed) by the party

As a relic of the twenty-yearlong coalition, Creditanstalt Bankverein, the number one bank, traditionally bas had a "black," that is a People's Party member, as chief executive, while the chairman of Laenderbank, the second largest joint-stock bank, is always a "red," a Socialist Party member. However, both the banks and the companies controlled by them bave always been run as strictly private companies guided by business rather than political or regional considera-

Before turning to the special problems of Industrial holdings, it should be said that in Austria companies belonging to the nationalised sector account for 18.4 per cent of the total indus-trial labour force and 32 per cent of the aggregate industrial investments. The entire steel and fuel sectors as well as large parts of the metallurgical, heavy engineering, chemical, electronic and mining industries are stateowned and controlled by the Oeiag, the holding company.

For historical reasons, the nationalised banks also have inberited large industrial holdings, Oesterreichlsche Laenderbank controls seven important enterprises including Waagner-Blro and Voith (engineering). Perimoser (cement) and Lenzing (man-made fibres) with a total labour force of 18,500 and a turnover of Sch 12.9bn

But It is the Creditanstalt which ranks as the real power credit institutions but also for 30 per cent of lending to industry and for a third of foreign business transactions.

It has majority interests in such giants of the domestic in-dustry as Steyr-Daimler-Puch, the motor company with an annual turnover of Sch 11bo and Semperit, the rubber concern with total sales of Sch 7bn in addition to scores of building. metal. glass. chemical, paper, textile and engineering companies as well as botels and

### Turnover

in all, companies directly or indirectly controlled by the Creditanstalt group bad a turn over of Scb 42.1bn last year with exports accounting for 44 per cent of the soles total. For industry (sales worth Sch 35.8bn), the export ratio rises to over 50 per cent. The turnover of the stores last year was Sch 4.8bn wbile that of the hotels reached Sch 238m.

gauged only if compared to the tigures for the country as a whoie. So the turnover of the Industrial holdings represented 8.8 per ceot of those of Austrian industry and employment in the group 8.3 per cent of the total industrial labour force. Investments last year were worth Sch 3bn as against Sch 28bn capital spending by the whole of Austrian industry Both Laenderbank and Creditanstalt (and to a much smaller extent even the Giro-

zentrale) bave bad to pay a price for their close involvement with industry last year. Laenderbank was hit primarily by the insolvency of Austria's fourth largest building company which owes apparently irrevocably large loans of Sch 250m to Oeci which, in turn. is fully owned by the Laender-However, these problems pale

to Insignificance compared to the dilemmas faced by the Creditanstalt. The gross cash flow fell by Sch 242m, pumped into the boldings by the bank diving the last six same and during the last six years and

behind the scenes. To start written off under the beading pany in turning out crosswith, the consolidated balance "provisions for future losses." country vehicles. with 10,000 sbeet of the CA group (including lis regional banks) is more problem of providing financial more important is the building

labour force of 8,000, or 13,000 if you include the far-flung subsidiaries. The five-year partner-ship with Kleber-Colombes ship with Kleber-Colombes eoded in mutual disappointment due primarily to the opposition of the unions and middle management at Semperit Due to the failing specialisation in the bighly-competitive tyre sector and the excessive diversification of the non-tyre business. losses are put at more than Sch 360m in 1975-78, with a loss of Sch 180m incurred in the

last year alone. The massive engagement in the abortive attempts to save the Voeslauer textile plan has also cost the bank hundreds of millions. There are serious rationalisation problems in the nietal, glass and paper sectors.

At the same time, bowever, most observers would agree that the two banks, and primarily the larger one, bave played a crucial part bebind the scenes of Austria's economic miracle. Particularly since Dr. Heinrich Treichl took over the chalrman-sbip of the CA in 1970, the In-The real significance of the dustrial boldings have profited CA industrial empire can be from the outward-looking internationalisation of Austria's number one bank.

It was he who pressed for the Semperit-Kleber-Colombes liok and the failure does not change the basic truth that no small type producer can go on producing too many types of tyres in relatively small numbers. The choice of an unpopular Swiss expert as chief executive of a major Austrian company in a delicate phase may have been unfortuoate. However, Dr. Treichl did not besitate to draw the con-sequences and was instrumental in the recent appointment of Dr. Franz Llebenfrost as director-general of Semperit Dr. Leibenfrost, 40, had a stun-ning success as director in charge of finance at Steyr-Dalmler-Puch and the architect of the PUCH's moped venture in

### Contradictions

Steyr launched a major joint venture last year with the German. Daimler-Benz com-German

both between the different bank-

ing sectors and within those

The increasing pressure on rout margins, the growing

international engagement and

the all out-battle for market

shares are not the results of the new banking law. Yet Dr. Karl

Pale, director- general of Giro-

zentrale, is certainly right in

saying that the legislation and

the package deal over interest rates have ushered in a new era.

NEITHER THE new Bank Act than Sch 180bn accounting not backing for the costly re- of a plant in Austria in co-nor the nine-year long rule of only for 13.5 per cent of the organisation of the ailing operation with BMW of Dr. Kreisky's Socialist Govern- total assets of the Austrian rubber concern Semperit with a Germany to manufacture diesel engines. The plant, to be com-pleted by 1981, is scheduled to produce at least 100,000 engines year. in Austria with its large

nationalised sector, there is no practicable way of radically cutting the industrial holdings the banks. No one would allow a take-over of such key branches by foreign capital. There is no other alternative to the present system.

Nevertheless tbe question of the massive holdings is a latent political issue because these are recurrent proposals for closer co-ordination of the Creditanstalt 1-and Laenderbank holdings on the the one hand and the nationalised sector on the other. Such a "co-ordination" is viewed by observers as a prelude to a gradual process of further nationalisation.

Whenever Dr. Treichl himself, with his customary can-dour, pleads for rationalisation and a minimum interference in the business practices, some functionaries of the unions or the chambera of labour call for more "co-ordination"—that is even more interference.

The record of the Creditanstalt and Laenderbank in providing Austria's industry in its post-World War Two adjustment to changed realities with underlying security and enduring stability bas been a good one: The boards of the nationalised banks bave generally put a company's long-term interest above the wish to pocket shortterm profits.

The bankers themselves do not dispute the built-in contradictions, such as acting as investment advisers while exercising voting rights and at the same time controlling or steeriog the basic policies of the same companies about which customers are asking for investment advice. It remains to be seen whether the tightening of control procedures under the new banking law will belp to eliminate lingering suspicions about insider transactions and other problems involved in the German-typo universal bank system.

The real and only possible way to cope with the insoluble problem of such massive holdings in the hands of a couple of state-owned banks in a smallintry without a stock change worth speaking of is by reducing the political back-seat driving to a minimum and giving the green light for the best available entrepreneurial talent.

It is this consideration which has guided the stewardship of the banks in general and Dr. Treiche in particular. The pro-longation of the contract of the 65-year-old top banker by two more years until mid-1981 io spite of massive political resistance is therefore an event which is also likely positively to influence the future of the banks' industrial holdings.

Though Austria's general elections next month may produce some changes, it is generally thought unlikely that any serious politician on the serious politician on the Socialist or People's Party side would even attempt to revamp, let alone to eliminiate the holdings of the joint-stock banks io industry and construction.

# Advance

CONTINUED FROM PREVIOUS PAGE

Indistinguishable from each last-minute blocking of the deal other. As in Germany, the increasing Girozentrale's sbare.

same bank can advise on sbares due to the near veto raised by

and launch new issues (on a the Erste Oesterreichlsche stock market dominated by the banks1, while shaping policies that there is sharp competition

profit

quired to publish their annual if their balance sheet exceeds

The full text of the legisla-The full text of the legisla-tion comprises 52 printed pages. banks1, while shaping policies including special laws on the of companies which it either savings banks and the right to issue bonds.

It is in the savings banks sector where the most signifi-cant shifts are to take place. The two largest Vienna-based savings banks, Zentralsparkasse and Erste Oesterrcichische, now have direct access to the capital market and the old regional houndaries are no longer relevant since both already have their own banking outlets in the

The Girozentrale, the central institute of the savings banks sector, seeks to maintain the financial strength of the entire scctor. Under the new legislation, savings banks whose assets are equivalent to 40 per ceot of the balance sbeet total of the umbrella institute of the sector will be able to withdraw their liquidity reserves (10 per cent of savings and 20 per cent of the other deposits) within three years once they give formal

# Alternative

It is these provisions which have been opposed by the People's Party whose chairman happens to be the former director-general of the Girozentrale, Dr. Josef Taus. He is also against the degree of state intervention through the institution of state commissioners extended to private banks and the steady growth of subsidised credits, already surpassing half of the outstanding loan total. Meanwhile the new provisions teod to accentuate some of the built-in contradictions io

Austria's banking system.
Austrian banks have become

banks.

It acts both as a stockbroker and as an investor, playing the role of an investment adviser while at the same time owning investment trusts as well as managing portfolios on behalf of the public.
The economic editor of Die Presse recently expressed con-

controls directly or through

cern whether such a double role. as borrower on the market and investment adviser to the customers, would help the banks in the lung run. He was referring to the near explosion of applications for new issues, partly as a result of the big savings hanks emerging on their own as borrowers. The close involvement with

Industry is causing considerable problems above all for the Creditanstalt, whose industrial holdings alone account for 8.3 per cent of the industry's aggregale turnover. The outcome of the May elections may bave a direct relevance to the future shape of the banks' industrial holdings and to their relation snip to the directly nationalised sector which accounts for 18.4 per cent of employment and for one-third of the investments in Austrian industry. The two joint-stock commer-

cial banks with their considerable industrial concerns are, after all, both under majorily ownership of the federal state, even if their directors behave as private bankers. The fight both hetween the

savings banks and farmers credit co-operatives over their respective holdings in the Bankhaus Schoeller, the most im-portant private bank, and the

PROPORTIONAL GROWTH IN	Branch	BANKING
		Share of
	Growth	total bank and office
	1976-78 In %	1978 in %
Joint stock banks and bankers	60.9	13.8
Savings banks	38.4	22.3
Farmers' co-operatives (Rulffeisen)	14	50.3
Credit unions (volksbanken)	10.5	10.2
All hambo	70.5	

Source: Austrian National Bank monthly reports.

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in US\$ millions at year ending <sup>0</sup>	1976	1977	1978°	
Total assets	2,732	3,185	4,015	
Capital & reserves	119	145	161	
Net profits after taxes	22	27	163)	
11.0				

Converted at Ash 13,3675 per US\$ Figures before auditing

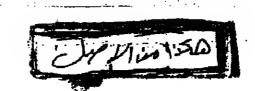
Fall in net profits due to corporate tax increase of 100% in

1978 for savings banks.

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# Foreign business growing

AUSTRIA'S premier bank, the as a minority interest in the Communist countries is Creditanstalt Bankverein, has Vienna-based Chase Manbattan concerned. been the pace-maker in the subsidiary. The other major 1970s in forglag closer links banks such as GZB (Genossenhetween Austria and the Euro-schaftliche Zentralbank) and currency and bond markets.

stantial bolding in the Wirts- trade. chafts und Privathank of Zurich along with the Bayerische vereinsbank and Anthony Gibbs reflected in the aggregate Hower Holding. It is understood that halance-sheets of the credit foreign Anthony Glbbs' interest will be institutions. Thus the share of taken over by the Creditanstalt foreign assets and liabilities has

ls associated with the Abecor year. Vienna also has become mulli-bank group while Girozen- an international finance centre,

BAWAG (Bank for Arbeit und Under the imaginative leader- Wirtschaft) are also involved ship of Dr. Heinrich Treichl, its in international ventures, indirector-general, the bank has cluding also Vienna-based multijoined the EBIC multi-national bank consortia specifically consortium and acquired a sub-founded to finance East-West

The steadily growing importand the Bavarian pariners in increased from a mere 1 per cent in 1960 to 7.7 per cent in Oesterreichische Laenderbank 1970, and to 15.7 per cent last trole has shareholdings in the though on a modest scale, at Handelsbank of Zurich as well any rate as far as trade with

In addition to about 250 foreign Western European commercial companies and scores of representative offices, including also 35 Eastern bloc companies operaling in Vienna. there are five U.S. banks, one French, one Russian, and one Hungarian credit institutes, plus joint venturea with British, German, Italian, Polish, and Spaoish

foreign business bas slowed parily as a result of credit restrictions imposed by the National Bank, Last year, Austrian banks were allowed lo grant credit to non-residents only to the degree of debt repayments plus a 7 per cent growth rate. But the limit was imposed only on loans of more than 12 months made by foreign nationals not in connection with Austrian exports. These rollover credits are estimated to total about Sch 20bn. In January this year the permissible growth rate was increased on the same basis to 15 per cent, compared to the position at the end of 1978.

The Austrian banks opposed the growth of foreign credits this restriction as a threat to Austria's role and presence on Given the overwhelming imthe international acenc. The Creditanstalt is now the spear-head of the quest for the "Luxembourg Connection." It is argued that Luxembourg has grown into an extremely import-ant Euro-business centre and to give the go-ahead signal.

represented there by their own subsidiaries.

In Austria it is regarded as unnatural that among Luxembourg's more than 100 foreign operators, including 24 German banks, not one single Austrian credit institute can be found.

Creditonstalt has drawn up detailed plans for a Luxembourg venture which in three years should bave a balance sheet of Sch 9.23bn and a loan position of Sch 6.46bn. It is calculated that, by 1981, it could have at least a 5 per cent return on capital after taxes, always provldc that the National Bank allocates a apecial credit quota

# Repayment

This would be done on condition that in Vienna the parent company would grant credits only to the extent of the repayment of debts. So in fact the volumeof foreign lending from Vlenna not connected with export finance would be frozen and the Luxembourg subsidiary would grant credits in keeping with the special allocation and

portance of the Luxembourg connection and Vienna's peri-pheral geographical position. Austrian bankers are puttiog increasing pressure on the central hank which is still reluctant

assumption of a Sch abn allow- of other credit institutions such ance for Luxembourg-based as Oesterreichische Laender-loans, roll-over credits affected bank, Girozentrale, GZB (the by the limitations would be up central institute of farmers unly from 2.79 per cent of the credit co-operatives) and the bank's aggregate balance sheet

In terms of the outstanding loan total the share uf the rollover credits would rise from 4.92 per cent lost year to 6.09 per cent this year, to 6.84 per cent in 1980 and 7 per cenl in 1981. The monctary authorities are delaying a move for two main reasons. First, on account of the suspicion that a Luxembourg base could more easily circumyent central bank regulations imposed on Austrian banks at home. Though the Creditanstalt is willing to provide all the information required about its external operations, some highly-placed bureaucrats at the National Bank still operate with arguments enneerning an alleged threat to the "borrowing power of the republic" said to he due to misunderstand-ings concerning the difference

capital and a money market. Other arguments are also described privately by prominent bankers as mere artificial barriers designed to block the access to such a convenient and important financial and geographical base for an inter-national-minded Austrian bank,

between the functions of a

The second major objection,

in 1978 to 3.5 per cent this year, 3.97 per cent in 1980 and to 4.25 per cent in 1981.

"Z," the Vienno-based largest savings bank, have also expressed interest in following the example of Creditanstalt. "Z," the Vienno-based largest sed interest in following the

This, in lurn, has provided the directors of the national bank with the convenient "insiders argument ": would allow the Creditanstalt in Luxembourg because they are the most accomplished foreign operators with the greatest experience, but we cannot and must not use this as an argument to refuse applications by the smaller competitors."

Impartial observers are convinced, however, that in view nf the present restrictions and of the balance sheel potential only the Creditanstalt and perbaps a couple of other banks would in the end set up a fully-fledged subsidiary in Luxembourg.

The Luxembourg connection is clearly an element in the internationalisation of Austrian banking and it is thought likely that Prof. Stephan Koren, the new outward-looking and experienced chief of the central bank. will in the cud accept the arguinternationallyment respected Austrian bankers rather than follow the conserva-

tive urges of his officials.

They urge total control and supervision, going well beyond the reporting requirements imthough not voiced publicly, is posed by the German banking major banks conducting inter- it was colculated by the more difficult to overcome. The authorities on Luxembourg national business want to be Creditansialt that under the point is that already a number operations of German banks.

EXPANSION OF FOREIGN BUSINESS in % in % in Sch bn of total in Sch bn of total

198.2 15.7 25 Fareign assets ..... Net interest and provision income to % of balanec sheet total\* 1974 1975 1976 1977 1978 1.69 1.65 1.52 Interest income ...... 1.89 1.80

Interest and commission income 2.51 2.41 2.24 2.15 1.97 Calculations based on the reports of the seven major banks, accounting for 43 per cent of balance sheet total in the entire banking sector. Net interest and commission income io percentages of the annual balance sheets.

Source: Annual reports of Creditanstalt, Girozentrale, Laenderbank, Zentralsparkasse, Genossenschaftliche Zentralbank, Erste Oest. Spar-Casse and Bawag.

### LEADING AUSTRIAN CREDIT INSTITUTIONS Growth 16.2 Creditansialt Bankverein Girozentrale ..... 18 27.8

### Österreichische Länderbank ...... Zentralsparkasse Wien ..... Gennssenschaftliche Zentralhank ... Erste Oesterr, Spar-Casse ..... BAWAG .... Source: Annual bank reports.

### CHANGES IN THE STRUCTURE OF DEPOSITS 1978 1970 Primary deposits: 181.7 579.5 318.9 Schilling deposits from non-banks 128.6527 Own issues Domestic inter-hank deposits ....... Share of primary deposits in total domestic deposits (in a) ......

Source: National Bank monthly reports. \*1970 = 100.

# Battle over family bank

THE BATTLE for control of an important family bank, the the complete restructuring of Bankhaus Schoeller, is currently the Scholler bank and industhe most discussed event in the trial holdings. The reorganissmall world of Austrian hank ation, which will be completed ing. The complicated by next autumn, will not affect manouevres involved reflect not the family-owned trading manouevres involved reflect not the family-owned trading only the declining fortunes of company, Gebrueder Schoeller what society columnists once with a turnover of Sch l.lbn. used to coll the "great The main changes involve families." They also underline separation of the bank from the the fact that there is sharp com-

also within these sectors. been going on for years with more and more independent farmers' credit cooperatives, operators being taken over by having a 40 per cent interest the major commercial, savings and the rest held by the and farmers co-operative banks, Schoeller family. Therefore the list published on the last page of the well Sch Sibn is one of the fastest produced annual report of the growing banks with the largest Association of Austrian Banks number of outlets, acting as a and Bankers year by year contains fewer private banks and

If the branch offices of ... Under the new scheme, foreign banks and the merchant Schoeller Holding will also banking arms of industrial and actrade holdings are excluded, io trade holdings are excluded, io Lelpnik Lundenburger there remain in fact merely Industrie, the umbrella com-

undoubtedly Bankhaus Schoeller, founded in 1833 by Alexander von Schoeller. The Schoeller family has survived both the collapse of the Austro-Hungarian monarchy and the nationalisation in 1946 of ils single largest asset, the schoeller-Bleckmann special sleel plant. With total assets of Sch. 5.5bn (£19.1m) lasl year, including a 20 per cent share of foreign business, the bank has remained in family hands for almost 140 years.

The first dent in the image of Schoeller as banker not only with "class" but also with superior expertise, was made in 1969-70 when one of the partners, an aristocrat 1 rom one of Europe'a uldest lineages, engaged in disastrous speculative lovestments, causing the other partners considerable

This came as a salutary shock. The role of non-family executive . management was increased and control tightened. But the most important consequence was the link since the end of 1971 with the Girozentrale, the central institute of the Austrian agvings banks sector which, at that time, acquired a 10 per cent interest in the bank with an option for

a further 10 per cent. Though according to both restructuring to be carried ont sides the connection has proved in mid-1979 effective retrouseful, providing Schoeller with actively to January 1, depends more financial muscle and the Girozentrale with a convenient line to take up the option was major Vienna savings banks, allowed to lapse.

Zentralsparkages

# Blow

In the meantime, Schoeller has bad to absorb a new, much more serious, blow. The difficulties were, and are, connected with the family's industrial same type of customers holdings. Matters came to a head with the liquidation of the

rescue operations launched by the Socialist Government and later also by the Creditanstalt Bankverein, which in 1978 took Oesterreichische which in turp a controlling interest, the pro- is a major sbareholder in the ducer of worsted yarn and Girozeotrale, lbe umbrella fabrics near Vienna was a institute, is not keen on the deal hopeless case. The abortive to raise Girozeotrale's stake efforts have cost the banks and in the Schoeller bank

write-off last year totalling board of the Girozentrale. Sch45m. The losses of the Nevertheless, Dr. Karl Pale, family members have not been director-general of the Girosentrale. In any case, other zentrale, is still hopeful that an applicant have consequed in any case, other zentrale, is still hopeful that an applicant have consequed in problems have emerged in arrangement will be reached Schoeller's industrial empire, before the summer holiday which comprises the country's season. largest flour mill and a bakery, a sugar refinery and other tions concerning tax free interests with a total production capitalisation of reserves and staff of 2,500. Both the sugar and the bakery sector are grappling with aerious labour, September, 1979. So a decision management, and price prob in one way or another must be

This was the background to

industrial holdings. A new petition not only between the bolding company, called different banking sectors, but Schoeller Holding, has been also within these sectors. formed with the Genossen-The concentration process bas schaftliche Zentralbank (GZB).

> "bouse bank" for farmers cooperatives with their total of 1.6m memhers.

acquire a 25 per cent interest Lundenburger three private bankers in Vienna pany for the industrial and one in Salzburg. empire of Schoeller. As the and one in Salzburg. empire of Schoeller. As the
The private bank with the GZB already possesses a 30 per
most glittering lineage is cent interest in Liepnik Lundenburger, the farmers coop-bank will have a powerful lever to enforce a long-overdue better coordination.

# Influence

But it is the extent of the ownership changes in the bank itself which is at the centre of disputes and also of public attention. The GZB-Schoeller holding will have "80 to 90 per cent" of the projected "Schoeller and Co. Bankak-tiengesellschaft" with capital and reserves amounting to Scb 250m, bringing the Girozentrale's holding to at least 20 per cent.

GZB, which is putting for the time being about Sch 150m in the new venture, would prefer to maintain maximum Influeoce. However, the Girozentrale, Austria's second largest bank with total assets of Sch 121bn last yaar, would like to increase its influence in Schoeller.

Evidently the Schoeller family is eminently interested in retaining room for maneouvre by baving two finely-balanced partners, even if they are incomparably more powerful than the original group of owners. The on the balance of forces within

Oesterreichische as described in detail in another survey article, are now operating as universal banks in their own

Erste Oesterreichische has to a great extent the small businessmen, middle and upper middle-class private Voeslauer Kammgarnfabrik, one clients—as does Schoeller. So of the country's oldest textile Schoeller, relying on funds companies which, until 1978, provided by GZB and Girozen-was owned by the family, Despite several massive rival, particularly in the field of personal and housing credits in the capital

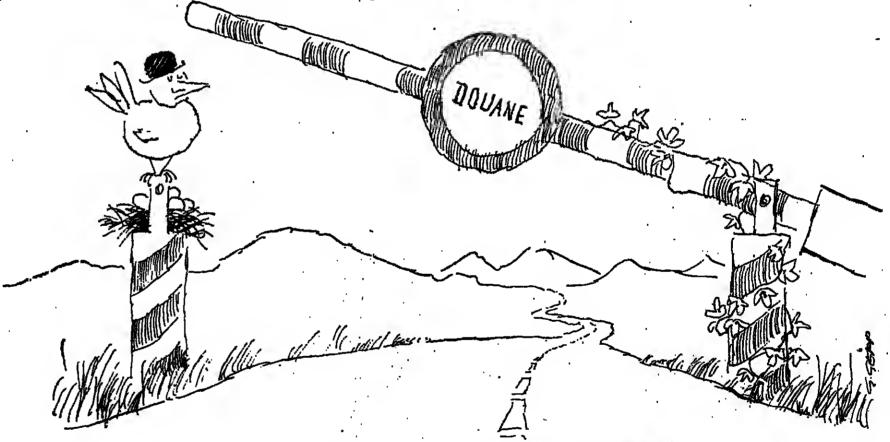
This is the reason why Erste the Austrian taxpayer about and also gave notice privately Schlbn. that it would oppose the Schoeller now claims to have project if it was ever placed on lost in all Schl70m with the agenda of the supervisory

GZ-AE

The provisional legal regulathe transfer of ownership are due to expire at the end of taken before ibat deadline.

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ing activities were about equally divided

between long-term projects and the com-

mercial business, now the financing of

trade and industry more and more out-

weighs the financing of house-building. In

addition our ties with the private cus-

tomer have become very strong. Tradl-

tionally, the security business belongs in

the sphere of business of the Allgemeine

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such as the Federal Republic of Germany.

Switzerland and Italy, business relations

are also maintained with the rest of the

European countries and overseas; more-

over business relations are especially

By Dr. Kurt Bartel

# Small but successful

Vienna Bourse packed with Austrian bankers and financial experts. BAWAG (Bank fur Arbelt und Wirtschaft), the union bank, was floating its first-ever bond issue-on April

Mr. Walter Floettl, chairman credit institutions as a whole. of the board and directorhistoric occasion in the history of the bank, founded in 1922 and called "Arbelterbank" (workers' bank). After the civil war of 1934, the bank went into liquidation for politi-cal reasons. Reborn after the 1939-45 war and called BAWAG since 1963, the bank has rapidly expanded its activities as a fully-fledged universal bank.

Nothing could better illustrate the pace of growth than the balance sbeet figures: Between 1962 and 1971 assets

pared with 1971. Mr. Floettl, sumer 55, who took over as chief executive in March, 1972, could rethird o port a 26.7 per cent growth in assets last year, a rate well above the average of Austria's

BAWAG's cmergence BAWAG's emergence zs Austria's aeventh largest bank (excluding specialised instituand the export credit guarantee banks) also reflects of course the profound changes in Austria society and the redis-tribution of wealth from the entrepreneurial sector to the salary and wage-earners. The share of wages and salaries rose from 56 per cent of the national income in 1949 to 75 per cent.

by 1977. At the same time this largest rose from Sch. 2.7bn to non-nationalised joint-stock

expanded. Because of its business capacity

and its large patronage, ranging from

small manufacturing enterprises to

Austria's largest industry, Allgemeine

Sparkasse in Linz is the banking gateway

to this important industrial area. The

business connections of Allgemeine Spar-

kasse in Linz reach beyond the provincial

capital of Linz to the entire province of

Upper Austria. The Allgemeine Sparkasse

in Linz counts among its commercial cus-

tomers the large-scale industries located

in this area as well as a multitude of

smaller 'manufacturing 'and industrial

enterprises. To this may be added a

massive private business characterized

by a large number of private checking

accounts and savings deposits. The foreign

bank entering into correspondent rela-

tions with Allgemeine Sparkasse in Linz

may use this House not only for orders

covering Linz and the Upper Austrian

sumer co-operatives which account for two-thirds and onethird of the equity respectively.

Because Austria has one of the best strike records in the world, the strike funds held on. deposit at BAWAG have grown tremendously during the past 20 years or so. Another consequence of the union link is resected by other bankers an unfair advantage: BAWAG as bouse bank of the unions also relies on the network of shop stewards who have so far placed about 200,000 small personal loans to the tune of Sch 10.5hn.

It is against this background that the BAWAG's first relatively modest Scb 400m bond must be seeo. The union bank could play an important role in accelerating the mucbneeded progress from savings deposits to bond and equity investment. As Mr. Floettl remarked, only eight in 100 aalary earners and two in 100 manual workers possess bonds. Foreign business already accounts for 20 per cent of the balance sheet. In keeping with its aggressive marketing strategy, BAWAG has carried

out a tremeodous expansion of its hranch oetwork, raising the number of offices from 31 to 44 last year and adding a further 14 new branches this year. A projected take-over of the called Konsum Bank, the banking arm of the consumer

THE ATMOSPHERE was festive Sch. 11.4bn. By 1978 BAWAG bank has some very special bers and a balance sheet of and the assembly hall of the recorded a 41-fold jump in its shareholders the powerful trade Sch. 2.4bn would clearly consolidated balance sheet com- union federation and the con- strengthen BAWAG's competitive position.

> Meanwhile- Austria's branch banking is dominated by the farmers' credit co-operatives, the famous Raiffeisenkassco-which account for 51 per cent of the braoches as against 22 per cent for the savings banks and 14 per cent for the joint-stock banks. The rapid growth of the GZB (Genossenschaftliche Zentralbank), the central institute of the credit co-operatives, is telling proof of the prosperity of the country's

### Umbrella

There are about 388 farmers' Raiffeisenkassen (named after the Germao founder of the co-operative Christian-Social movement in the last century) and about 950 additional branches collect and channel deposits through primary regional federations to the GZB, the umbrella institute.

Today, with a balance sheet of Sch. 61bo, it is the fifth- and compensation deals. largest hank. Under the leader- Recently, for examp ship of its director general, Dr. Helmut Klaubs, GZB achieved a much-publicised breakthrough by acquiring a substantial sidiary of a large German interest in the Schoeller family's concern which secured a \$3.5m industrial holdings as well as a foothold in the Bankhaus Schoeller after having taken over a small private merchant rupees, which in turn can be

puted number one private hanker, with a balance-sheet of

Scb8.57bn last year, up by almost 16 per cent on 1977. Asked about the key to his success story as the only private banker still thriving in the bighly competitive world of big nationalised hanks, savings banks and various large central credit institutions, Mr. credit institutions, Mr. Moskovics quote a recent statement by Herr Hans Marthoefer. also co-operates closely in joint West Germao Minister of ventures with BAWAG and GZB

entreprenenr.
It is this instinct, coupled with phenomenal memory and an impeccable business which made Mr. Moskovics a household name in the special world of East-West trade, awitch

Recently, for example, his Soviet contract but the state import agency in Moscow was willing to pay only in Indian co-operatives with 730.000 mem- bank in Vienna a few years ago. used only in Soviet-Indian clear-

While BAWAG is operating ing for buying such commodities on the basis of union power and as sugar, coffee, tea, inte. and on toe basis of the power and as sagar, conce, itea, inter and funds and GZB is the house so on. It is the unique know-how bank of the farmers and their of the banker in Vienna which manifold enterprises, Mr. Simon then enabled such disparate partners as the German multi-chief executive of the Bank national the Soviets, the Indian matching but haus Winter, had nothing but merchants, and a London-based his brains and his flair for busi-trading house to find the deal

ness to rely on when he began profitable.

to build up a new career in the early 1950s. Today the Bank as a merchant banker within haus Winter is Austria's andis- Anstria and plays a role in raising advantageous loans for the republic of Austria as well as in organising short or medium-term credits for the

central banks of certain Come-

con countries. His success shows that private bankers can offer specialist services and expertise in East-West trade that the major banks lack: the flexibility, experience or simply the interest. His bank Finance, who said that no state in Austria and with Warburg in can replace the instinct of an Switzerland. Last but not least, a strong Swiss sleeping-partner rumoured to be one of the "big five" in Zurich, has a minority holding in Bankhaus Winter. Small banks bave to

be very efficient to survive. The number one in Austrian banking, Creditanstalt, claims to have Sch 24m of its balance bank was involved in a deal sheet per employee. But in the involving complicated transminute Bank Winter, with its actions. The Austrian substaff of only 69 in the headquarters and the two branches in Vienna, the ratio is Sch 120m per employee. Though admittedly one should not stretch this comparison too far, it does indicate the advantages for a

# The savings banks

THE NEW banking legislation in Austria bas completed the progress of the country's traditional savings banks, the time-based savings banks and the honoured collectors of the small Girozentrale used to be seen saver's money for 160 years, to solely through the political commercial banks and the development of the large Vienna-based savings banks into fully-fledged universal

For many years the Central Institute of the increasingly powerful sector, the Girozentrale has occupied the number two place in the league of Austrian credit institutes with a consoli-dated balance-sheet of Sch 121bn (£4.3bn) last year.

The balance-sheet of the entire sector, that is including the 164 savings banks with their 835 branches, the Steier-maerkische Bank and of course Glrozentrale Itself with Its large building society, expanded last year by 19.1 per cent to Scb 359.3bn. Its sbare of the total loans to non-banks last year reached 29.4 per cent, of cent, and of the aggregale

balance-shects 26.2 per cent. foreign assets jumped from 13.7 per cent in 1974 to 18 per cent last year. Glrozentrale, tounded in 1937 as a bankers' bank lo the network of the Sparkassen, has become a power in its own right, extending its base far beyond the sector, although funds received from the sector last year atill account for 41 per cent of its aggregate

Under both the old and new legal provisions, 10 per cent of the savings deposits and 20 per cent of other deposits must be held with the Girozentrale as their central bank. However, the new legislation combined with the de facto liberalisation of the licensing of new banking branches has created a novel siluation willin the

sector itself.

The changes affect not just the Girozentrale and the two Vienna-based largest operators-Zeniralsparkasse and the Erste Oesterreicbische Spar-Casse-hut also the big savings banks hut also the big savings banks in the provincial capitals and the small local banks. Under the new legislatium savings banks whose assets are equivalent to 40 per cent of the halance spect tutal of the unurella institute of the context will be able in future to uf the unurella institute of the sector will be able in future to withdraw their liquidity reserves within three years once they give formal notice.

More important even than the right of withdrawal is—for the time being at least—the end of the so-called "regional principle." For the first time since 1942, savings banks are explicitly allowed to upen branches in areas which used to be the "sphere of influence" of another savings bank.

of another savings bank.
Every savings bank can
acquire interest in another
credit institute. The fact that all credit institutes are obliged from now on 10 bave at least two full-time managers is also bound to give a push to the process of concentration and mergers. Another significant concession to the large Vienna-based savings banks is the direct access to the capital

This year the Savings Banks sector is represented by four further borrowers: Zentralsparkasse with Sch 1.75bn and Erste Oesterreichische with Sch 125bn Ocsterreichische with Sch 125bn tu be folluwed by a syndicate of the big provincial savings banks and a so-called "Sparkassen Finanzierungs-AG" which would serve the rest of the sector. All this would be in addition to the Sch 3.05bn to be floated by the Girozentrale be floated by the Girozentrale itself, so in sum the saviogs

hank sector would tap the market to the tune of Sch 7.35bn

In the past, shifts within the sector and primarily the rela-tionship between the Viennaprism. Zentralsparkasse is after all the house bank of the Socialist-dominated municipality while Erste Oesterreichische, a mutual savings bank, ranks traditionally as the pillar of the "Black" or bour-

geois domain in the capital. The political colours may still be the same, but the interest now cuts through straight party lines. Both operators joined forces to fight for access to the capital market, the right of withdrawal from the Girozentrale and also for

liberallsation of the opening of branch offices, Both acquired their own merchant bank outlets last year by taking over a small private bank and a former hire-purchase institute. As a result 120 branches by the end of this year, but 27 of them as "Z-Bank"—the merchant bank while the Erste Oesterrelchische taps the market outside Vieona through its "Roessler Bank"

have nine hranches. However, the major provincial savings banks are not willing to remain idle in the face of the challenge from Vienna. So it is now taken for granted that

which hy the end of 1979 will

POWER OF SAVINGS BANK SECTOR 1974 1975 1976 1977 1978 Loans to non-banks ...... 28.5 28.9 29.6 29.3 29.4 Savings deposits ........... 39.8 39.6 39.5 38.7 38.4 Balance sheet total ...... 26.4 26.5 26.1 25.8 26.2

\* Sector composed of 164 savings banks, Steiermärkische Bank, Girozentrale (including building society of the savings banks).

Source: Girozentrale report, credit apparatus gone too far? loans via the post offices. At These are the questions thoughtful observers, not Thèse thoughtful observers not representing vested interests or regional lobbles, are beginning

raise with increasing frequency.
Prestige-motivated costly bond issues and all-out competition—not only against savings banks the short-term within the results of the new bank law. In the long term, however, all this is likely Increasing

pressure position already adversely operators. affected by the narrowing gap between borrowers' creditors' interest rates. Last hut not least, there is another dangerous outsider—the Post Office Savings Bank (PSK). four blg savings banks—those which is no longer concerned of Salzburg, Innsbruck, Linz only with the transmission of and Dornbirn—will set up a money. Operating through joint outlet, to be called Westwhere will all this lead to? controlling a small private bank in Vienna, it hopes to receive

any rate it has the fifth largest balance sheet with Scb 61.9bn last year.

In view of the major role played by the savings banks, the sbifts within the sector affect the entire banking sector In one way or another. The fate the farmers' co-op hanks Bankhaus Scholler clearly depend on the outcome of the unions (Volksbanken), and the of the ownership shares in the Girozentrale and the Viennabased savings banks, primarily Erste Oesterreichische since the Zentralsparkasse has different business priorities. Girozentrale plays a key role in providing loans to the public sector and industry but has no branches of its own and therefore has no. access to primary deposits on a large scale.

In this sense, the loog-term consequences of the shifts and competition within the savings: banks sector are a matter for the entire economy. How to combine free competition with traditional system checks and balances is the Where will all this lead to? in Vienna, it hopes to receive banking world in the new

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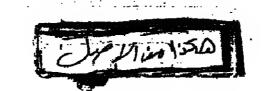
### foreign payments, making sure. however, region, but it opens up the entire area of cultivated with the socialist countries of that our foreign relations are not split Austria, since the payments system among Eastern Europe because of Austria's too much. And we have organized our geographical position. Austrian savings banks is organized so as documentary department so as to be able to guarantee the immediate and quick to handle the business transactions from Our business area transmission of payment orders to all Linz to overseas countries. By participatimportant places of business in Austria. ing in SWIFT we have taken care that payment transactions will be carried out In the region of Linz Allgemeine Spar-POB 82, Promenade 11-13 even more efficiently. The Allgemeine kasse in Linz offers itself as the local bank Sparkasse's foreign exchange and foreign especially suited to handle financial trans-A-4010 Linz notes business is extensive. Our foreign Tel. 0732/391-0 actions. It is represented in this area with exchange dealings are orientated more . a dense nerwork of branches still being Telex: 2 1778, 2 1068 Your Banking-Partner in Austria in the business-center of Vienna: Cathedral

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tome reflecting the fall in the

value of he dollar against ster-

ling during the past month.

The producer price for smeltlog nickel, based on the world

to customer's works. This com-

pares with LME price, which is

But this money is under

Mr. Elliot said the 2p a kild

Government award would have

been almost entirely morped up

hy increases in marketing costs.

leaving the producers' price un-

changed. "This award could

bave been three times as big

without costing the taxpayer a

prices published yesterday shows

that retail beef prices in March were between 10.8 per cent

(hest mince) and 18.8 per cent

(sirloin steak) higher than a

year earlier. Lamb was 15.4 per cent to 18.8 per cent dearer

Seles: 1,962 (8,159) lots of 5 Ionnea. ICO Indicator prices for April 30 (U.S. cants per pound): Colombien Mild Arebices 148.33 (153.00), unweeked Arebices 148.00 (147.00), Redustas ICA 1978 147.50 (asme), Rebustas ICA 1978 147.50 (sems), ether Mild Arebices 148.33 (147.57), Composite daily svetage 140.22 (148.55).

Cocee lutures remained eteady in active trading before prelit-taking late in the day pared gains for prices to cleek [10-15 higher than lest night's levels, recents Gill and Ouffus.

Sales: 4,073 (2,753) lets el 15 tonnee.
International Cocca Brganisation
(U.5. cents per pound): Gaily price
April 30: 150.51 (148,72): Indicator
prices ler May t: 15-day average 147.16
(149,50): 22-day everage 147.63
(147,65).

WOOL FUTURES

... 1770.0-50.0 -+2.0

COCOA

Jeles: 1,962 (8,159) lots of 5 lonner

The extra Wool Board money

# **Priority for** payments to farmers

Companies and Markets

BRITISH FARMERS who have been kept waiting for Ministry of Agriculture grants and subsidies because of Civil Service sirike, should be getting their

money within a few weeks. The Ministry's computer, which has been out of action for 10 weeks because of the strike, began working again on Monday. But the backlog is likely to take seceral weeks to clear, a spokesman sald yester-

All money handled by the Ministry and the lotervention on the whole, around present Boards passes through the com- levels with a slight decline this puter, located in Guildford.

Priority will he given to payments to farmers. The computer also handles statistical work bot this will have to wait until the response to the control of th until the payments backlog is

cleared, the spokesmao said. The National Farmers Union (NFU) said it was delighted at the news. The hold-up in payments had come at a bad time of the year for farmers—the hard winter had forced them to use more feed than usual and this had caused cash flow

problems.
"Hill sheep farmers were particularly hadly hit," an NFU spokesman said.

# India fears sharp drop in tea crop

NEW DELHI-The Indian tea industry fears a sharp drop in production in April as young shoots have withered away in

Industry sources said a month-long dry spell is likely to affect production in the the guarantee price to 112p a Board funds available to penny."

kilo but as a result of the growers. Doars and Terai region of North

Bengal and Assam. First flush production, usually in March and April, is already delayed and several gardens have left large areas unpruned in expectation of a good-quality first flush, 60 March output in some areas is already a third helow normal.

### Canadian tyre workers settle

Workers at the Uniroyal plant here have ratified a new threeyear contract, a union spokes-

The contract will give the 350 workers, members of the United | stocks Rubber Workers Union, an Republic (51,983 tonnes) and average 15.6 per cent wage West Germany (45,552). Next increase over three years,

# Raw material price rises forecast for this year

PRICES of almost all major boom. industrial materials, spart from higher in the second half of this yet available, it is very unlikely Research economist, forecast in

Hides could rise about 80 per cent with around 15-20 per cent rises for rubber and wool. Food prices are expected to remain,

Mr. Ray, however, told a conference in London that world metal prices are likely to fall moderately in the second half iron ore.
of this year following the recent Howev

BY RICHARD MOONEY

The Board has decided to

pay the extra money, on top of the 2p a kilo in the wool guarantee price swarded by the

Government, out of the "sav-lngs element" of its reserve

The Government award lifted

board's decision this will he

BY OUR COMMODITIES STAFF

at the end of March were 55 per

ceot lower than a year and at

their lowest level since 1974,

according to figures published by the UK Meat and Livestock

Out of a total of 152,598

tonnes the higgest national stocks were in the Irish Republic (51,983 tonnes) and

came Italy with 23,554 tonnes and Belgium with 11,833. UK

Commission yesterday.

ratsed to 115.5p.

oom. metals, including tungsten and He said although firm statis- manganese, will probably not metals, are expected to be ties for recent months are not differ much from 1978. year. Mr. G. E. Ray, National the metal boom was due to any change yesterday nickel prices Institute of Economic and Social sudden upswing in consumption. rose strongly again, with tha economist forecast in The most powerful contribuyesterday reports tory factor was probably speculative activity stimulated by rise was attributed to fresh
could rise about 80 per uncertainties surrounding finanbuying interest meeting con-

cial markets, primarily the tinued reluctance to sell. ollar, he said.

The relatively bleak world for nickel, charged by interdollar, he said. economic outlook especially in national Nickel, was reduced the U.S., is unlikely to admit any yesterday by £21 to £2,728 a major increase in demand for industrial materials.

Mr. Ray sald the overage price for copper and lead in 1979 overall could be 40 to 50 per cent log nickel, based on the world higher than in 1978, for zinc price of \$2.50 a pound, is cut and steel 30 to 40 per cent and to £2.675.34 a tonne, delivered around 15 to 20 per cent for

Extra cash for wool growers

their produce this year thanks to add money resulting from to the savings element.

producers a better deal."

However, tin and some minor ex-warehouse.

BRITISH WOOL growers will man, Mr. Walter Elliot, said operations, has a reserve of receive an extra 3.5p a kilo for yesterday. "We have been able about £5m compared with £1.5m

to "careful management" by the very considerable savings. But this money is under the British Wool Marketing we have made on marketing Government control and can

element, part of which we have

decided to use this year lo give

The award could have heen

very much higger, Mr. Elliot

said, if the Government had decided to make other Wool

"By careful management in money accumulated through price compared with 1.6 per cent recent years," the board's chair- the board's successful trading under the Government award.

Only in France did purchases

into intervention exceed sales

during the first quarter of this

year. French purchases totailed 2,386 tonnes against sales of

hy nearly 12,000, and Italy's by

EEC beef stocks at five-year low

1,238 tonnes.

EEC BEEF intervention stocks stocks totalled 41,567 tonnes.

a useful balance in the savings guarantee.

costs. At the moment we have only be used to aupport the

The "general element" of will mean an effective increase the reserve fund, which holds of 4.6 per cent in the guarantee

West Germany's first quarter while pork prices rose by seven

sales exceeded purchases by to 10.9 per cent.
nearly 30,000 tonnes, Denmark's Producers' returns in March

An MLC survey of UK meat month last year.

silver market

Surge in

SILVER SURGED nowards vesterday hreaking through the \$8 an ounce barrier in London for the first time. The builloo market spot quotation at the morning fixing was raised by 16.65p to

288.4p an ounce. Free market platinum followed the upward trend in silver gaining £4.65 to £198.95

The silver rise was trig-gered in U.S. markets en Monday night by heavy speculative buying, which was carried over to the Leodon market yesterday morning. After the initiol upward surge, prices moved rather erratically both in London and later in New York,

Silver prices in London reached an all-time peak in sterling terms of nearly 300p last May. But the latest rise bas hrought a record dollar price because of the decrease in the value of the dollar U.S. speculative loterest in sliver is claimed to bave been revived by new worries about domestic tofiation, and the bellef that gold values may be vulnerable at present levels.

### Sharp rise in bismuth

LONDON - Free-market bis muth prices yesterdya rose sharply to about \$3.5ā to \$4.10 a pound cif, from \$2.80 to \$3.30. Dealers said the movement followed the overnight 50 cent price increase by Asarco to \$3,25 a pound in the U.S.

Trade sources said that the present dirmness stemmed argely from the thinness of the desler market, where attempted buying met a scarcity of metal

in dealers' hands.
Some unconfirmed reports of Russian buying may have aided the rise, though most dealers doubted if such huying had taken place.

### Cold wave hits Chinese crops

HONG KONG-The worst cold wave in the past 30 years has hit northern China, hadly affecting agricultural production, the New China News Agency re-ported yesterday. Spring sowing is 7-15 days

hehind schedule and the delay has pushed back the dates for were 10.8 per cent higher for more than 3,000. UK purchases cattle, 15.7 per cent higher for totalled 878 tonnes compared sheep and two per cent higher with sales of 3,706 tonnes. the autumn harvest and exposed the crops to early frost, the Agency said.

throughout the day, closing inactive. Lawis and Post reported the Maleyslan market was classed.					
No. 1 R.S.S.	Yasterday's Close	Previous Close	Business Done -		
June July Jr-Sept. Oct-Dec Jan-Mar	61.15-61.26 62.25-62.38	61.20-51.25 52.70-62.15 84.15-54.20	\$1.80-01.20 82.40-82.15 64.80-64.10		

tiquiarty i	Prices continue n nearby imput lense short-cov her.	he with Com-
	Close +	Drane
	Epertoune 120,80-20,9 + 0.	pa 101 ph 710 KA

1.000.00 DAILY PRICE (rew augar): 196.00 (195.00) a ronne off ler Merch-April shipmant. Write suger daily price was c102.50 (c101.50).

The marker hald steedy but trading was vary light. This reflected in peritha May Cay heliday in Europe. reported C. Czarnikew.

104.76-04.90 102.08-05.70 105.85-03.84

Ang 199.00-95-26 197.80-57.85 199.55-37.89

Dec 199.00-95-26 197.80-57.85 199.55-37.89

March 117.45-17.55 115.80-18.00 118.03-18.00 Seles: 1.373 (1.513) lets of 50 tonnes.
Tate and Lyle ex-fellnery price lor granulesed basis white sugar was £279.50 (sems) a tonne to home trode and £165.50 (£165.00) let export.

and £166.50 (£165.00) for export.
International Sugar Agreement (U.S. cents per pound tob end stowed Caribbean port). Price for April 30: 7.70 (7.85): 15-dey sverage 7.73 (7.76). WHITE SUGAR—Clode (in erder buyet, ealler, business, soles): July 104.50, 104.80, nil, nil; Sept. 107.90, 108.20, 108.25-06.60, 78; Nov. 111.70, 111.80, 112.00-11.50, 58; Feb. 119.15, 119.20, 119.25-18.00, 84; April 122.65, 122.55, 123.00, 15; July 125.50, 127.00, nil, nil; Sept. 128.00, 131.00, nil, nil. Sales: 243.

LIVERPOOL COTTOM—Spot and anipment sales in Liverpool omeunted to 185 tonnes, bringing the total for the week so far to 857 tennes. Smell orders were erranged, with most attention centred on American-typo qualities. Oomand alrengthened in some ores, as users wented additional-supplies of Letin American and African orders.

Tince months 397.8 98.5, 98.3, 98.4, 38.5, 97.8, 97.9 98.1 Keebs: Three months 397.5. Attenseen: Three months 398.5. 98.2. 97.8, 97.5.

COFFEE

ROBUSTAS epenad unchanged restigably higher as expected and centioned to maintain the stead tone of late throughout a quiet morning seesion, repens Oreacl Burnham Lam
Seesion, repens Oreacl Burnham Lam
WYUUL FUIUKS

ton centred on American-typo qualities.
Oomand, etrengthened in come of the centred on American-typo qualities.
Oomand etrengthened additional-supplies of Latin American and African ormans as users wented additional-supplies of Latin American and African ormans.

ORIMSSEY—Supply good, demand door. 497.5, 407.0, 407.0-408.0, 10, 59; 0ec. 400.0, 412.0, 59; 0ec. 407.0, 407.0-408.0, 10; July 408.0, 407.0, 407.0, 407.0-408.0, 10; July 408.0, 407.0, 407.0-408.0, 10; July 408.0, 407.0, 407.0-408.0, 10; July 408.0, 407.0, 407.0, 407.0, 407.0-408.0, 10; July 408.0, 407

COMMODITY AGREEMENTS

# Differing views on proposed jute pact

interest of natural inte.

has already become the subject of considerable controversy.

Producers view the proposed new organisation as first step towards a price and market stabilisatioo agreement.

But consuming countries see it as only a consultative mechanism to be run by one of the existing international agencies, such as Unctad (UN Conference on Trade and Eevelopment) or the Romebased Food and Agriculture cost reduction, Organisation.

Organisation.

Consumer countries have so far stubbornly resisted moves to the needs of producers, while towards a market and price heing paid for by both proorganisation will draw a part of
stabilisation accord for jute, ducers and consumers, if it is its finances from the Unctad
forcing the producers to lower steady before such criteria are common fund agreed in March. forcing the producers to lower their sights.

independent from other improve production processes, other than market an agencies, that it should have its while the producer countries stabilisation measures, own financial resources paid for want this definition to encomdirectly by governments, and that it should have major equipment as well as stream-responsibility for drawing up lining technology.

The Unctad secretariat has planned for later this year.

THE DECISION to set up an designed to help jute producers heen asked to draw up draft international jute organisation, to increase productivity and agreement on jute and jute procasumers in negotiations here, Producers had earlier ducts. The main decision states Producers had earlier ducts. The main decision states demanded that the developed that the agreement "should procupatries should agree to curb vide for the creation of an intercountries should agree to curb vide for the creation of an intercountries should agree to curb vide for the creation of an intercountries should agree to curb vide for the creation of an intercountries should agree to curb vide for the creation of an intercountries should agree to curb vide for the creation of an intercountries should be a supplied to the creation of the creation countries should agree to curb vide for the creation of an inter-their production of synthetics national jute organisation where necessary to protect the whose main functions would be to encourage research and

The U.S. and the European development concerning the Community are insisting that jute industry, undertake market agreed criteria should be drawn promotion, and carry out studies on ways in which producers up hefore establishment of the organisation, to govern the way might reduce costs. The new organisation will go in which it will take decisions well heyond an earlier abortive and choose projects designed to

encourage research and develop-ment, market promotion, and attempt to set up a "jute inter-national." It will have much wider scope and functions and will include both producer and consumer countries.

It is expected that the

their sights.

But the producers now claim
to be deen to their minimum are also emphasising the need demands—namely, that the new organisation should be entirely reductions to measures to improve production processes, other than market and price approach that it should have its second window. The jute organisation's main link to the fund will be through the "second window" which, under the March accord, will be reductions to measures to other than market and price approach that it should have its second window. The jule organisation's main But details of how the new

organisation will fuoction have yet to he worked out and further negotiations are

# New source of Philippines timber

pass modernisation of plant and

BY OUR MANILA CORRESPONDENT

MAJOR new timber industry may be created as a by-product gramme which is due to start in of a big coconut replanting prothe Philippines next year.

From 1985, when the scheme is fully underway, the plan is to replant 60,000 hectares annually in a recurring 40-year cycle-"the biggest permanent crop replanting operation attempted anywhere in the world," according to Mr. David Meadows, project manager of the country's coconut research and develop-

Some observers doubt the ability of the Philippine Coconut Authority, which will be responsible for the replanting programme, to achieve the 60,000 hectare target. But at that level of replanting 6m cubic metres of old trees would be felled per year, equivalent to the present annual barvest of timber from natural forests in

the Philippines.
An additional—and renewable -timber resource of this magni-

tude is particularly important ally. as there is evidence that the Philippines is over-cutting its annual increment of new trees, rhinoceros beettle, a destructive pest which flourishes in the dead

ise the entire crop if allowed to use." spread. Funds for the replanting scheme are being raised by a levy on production, but the estimated income from the dead wood will help to overcome

what officials admit will he a panies. cash flow problem at a certain point in the replanting programme, It is envisaged that most of

is being carried out into reducing the cost of treatment for wood required for use extarn-

The hard sections of the coconut wood are ideal for specialist uses such as parquetry and tool handles. "The qualities that But discarded coconut palms handles. The qualities that are a breeding ground for the make it hard to saw, make it rhinoceros beettle, a destructive post which flourishes in the dead wood and which could jeopard-material in the world for this

The main technical difficulty is mechanical sawirg. Tungsten carbide tipped saws are ideal but their traintenance requires skills which restricts their use here to the major timber com-

Research is heing carried out into the use of bandsaws, for which there is a pool of experienced manpower, and also into the timber will he used for con- the creation of mobile mills in struction. No treatment of the remote areas using inset teeth coconut wood is required for with a bardened surface, like

# BRITISH COMMODITY MARKETS

etrails day's trading on the London Metal Exchange. Forward metal opened higher at £5,077. In line with the overnight U.5. trend and edged up to £1,022. following the strength of silver. These levels brought out stale buil legulation and profit-taking, however, which pared the price to areund £1,017. In the effermoon a higher than expected opening on Comex pushed the price have up to £1,024 before I reak stilling in New York and London decreased it to a close both the lare kerb of £1,014.5. Turnover 26,350, taness.

18: T. .

1. The P.

A.T. MIC

...

2 2 2 Wirebars | 1824.5.6 + 18.5 | 1018.30 + 3.25 |
5 months | 1020.5 + 19.1 | 1015.6 + 2.75 |
Settl'm.nt | 10025 + 15.5 |
Cathodas | 1014.5 + 121 | 1012.4 + 5 |
Settl'm.nt | 10010 + 12.5 |
U.S. Sett. | 438-105.23 |

Certhodes, three months £1,011. Kerb:
Wirebers, three months £1,017, 16, 15,
14, 14.5.

TIN—Baruty changed in subdued drading owing to the closure of the Peneng market. Forward metal opened are und £7,110 and edged up to close the lett kerb at £7,120. Telk of shipments from the Esci was reflected by a nerrowing in the backwardellen to around £300 from £350 in the months £28, 27.5, 27. 28.5 kerb: Three months £528, 27.5, 27. 28.5 kerb: Three m TIN Official - Onofficial -

INSURANCE BASE RATES Property Growth ...... 111% 7. Vanbrugh Guaranteed ...... 10.12%

CORAL INDEX: Close 542-547

I.G. Index Limited 01:3\$1 3456. Three month Sliver 396.0-399.3 29 Lamont Road, London, S.W.10 0HS.

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# - Nickel -

The next edition of the fortnightly \*Prescot Commodity Review\* will include a brief introduction to nickel If you would like a FREE copy please contact:-

Prescot Commodities Ltd 6 Bloomsbury Square, London WC1A 2LP. Telephone: 01-242 2142 Teles: 23110.

The state of the s

Please send me the current issue of "Prescot Commodity Review"

BASE METALS.

three months £1,020, 21, 20.5, 21, 20.5, buil liquidation and profit-taking. For Attendom: Wirebers, three months ward metal full eway £35 on the carry remained stoody as values conscilled to the control of the contro

ALUMINIUM Higher owing to short-covering which irited forward metal to £774 belore trade selling at the higher levels pared the price to £772.5 on the leve kerb. Turnovar \$.679 tennes.

Merning: Three months £769. 69.5.
70, 71, 72, 73, 74, 73.0, 74, 74.5. kerb: Three menths £772.5. Afternoon: Cash £770, 70.5, three menths £772, 73.5, 72.72.5, 73. Kerb: Three menths £773, 72.71, 71.6, 72.

NICKEL—Gained further ground. Ferward metal put on enother strong parlemenance se renawed ehort-cevering and reported physical interest lellewed wages rumours of a possible leroe majeure by ince and litted the processing of the less which all \$2.340 prior to a cross on the less which all \$2.340 prior to a cross on the less which all \$2.350. Turnover 468 tonnes.

Merming: These menthe \$2.310. 15.

20, 40, 25, 15, 20, 25. Kerb: Three months \$2.350. 30, 20. 70, 80, Kerb: Three months \$2.250. Three months \$2.250

NICKEL o.m + or p.m. + o o months 5480-5 +155 3275-80 -55

[ME—Turnover 242 (300) lots of 10,000 eze. Merning: Cash 388, 87.5; Tince months 397.8, 98.5, 98.3, 92.4; 38.5, 97.8, 97.9, 98.1. Keibe: Trace

NEW ZEALAND CROSSBREDS—Close (in e1der buver, seller): May 190,00, 197,00; July 198,00, 202,00; Oct. 200,00, 203,00; Occ. March, May, July and fict. sil 205,00, 208,00. Seles nil. RUBBER

ABOUT UNCHANGED opening on the

Apr. Jos. 82.42-81.85 87.80-82.85 83.80 Jy-Sept. 70.5-70.85 70.10-70.15 70.45-70.25 p. Oct. Doc. 72.80-77.35 72.80-72.50 72.50 Jan. Mar. 74.56-74.70 74.56-74.40 74.55-74.50 Sales: 15 (64) lore at S tennse, 275 Si Physical closing prices | buyers) The ware: Spot 58.5p (60.5); June 64p (eame); July 64p (eame). SOYABEAN MEAL

The London merket opened secret but ran into commercial support as cash interset picked up, reported T. G.

June 122.50-25.1 + 0.50121.00-110.50
Angurt 123.50-25.1 + 0.05121.00-110.50
Detater 70.09-25.2 + 0.19-125.09-122.50
Occomite: 125.50-25.6 + 0.5 125.50-125.00
Pebruary 124.50-25.5 + 0.1
June 125.50-25.5 + 0.1
June 125.50-25.0 + 0.25

Sales: 145 (108) lots of 100 tonnes. SUGAR

LIVERPOOL COTTON-Spot and ship-

### PRICE CHANGES

Estals    Commonwealth	
Free Mkt less 5 1580-1800 \$1,580: Depper	
Gash w'bar. £1,016.5 (+5.25.£1,015 3 mth£1,015.5 (+2,75.£1,022, tash Cathoda £1,810 (+2,0 £1,017	60
Each Cathode E1.810 1+1.0 41.017	5.5
3 mth , 21,510.5 +3.5 21,018 Fold troy oz.  5245.375 + 1,50 \$240.8	
5 mth£6327.5 ;-6.75£526.5	25
liokel	be De
Free rick £198.95 +3.55 £130.	
tulcks(fver\$275/85   + 5.0 :\$257/6	52
3 months 388.65p  +17.10,368.7	Þ
3 mthe 27,095 -35,0-27,250	.5
ungsten \$137.42 \$187.	38
Volfrm 22.94cif 8137/42 + 0.5 9133/6 inc cash £383.5 -0.75 £585.4 3 months £383.8s -2.55£596-0	5
Producers \$800\$800	
ils coonut (Phil). \$1.100 \$1.017.	5
coonut (Phin. \$1.100	
ands :	
opra Phinp 5732.5 -2.5 5585 oyabean (U.S.) \$500.2 -0.1 [6513.2	2
aries Futures 257.75 -0.10£86.7	
rench No 3 Am. : £110.5	25
No.1 Red Spg. 2	
NoaHardWint Eng. Milling t £104.5£101.5	*
ther commodities	
Deca ship't 21,627   + 10.0 £1,563	
otton A'Index  74.5: +0.5 ,21,466	.S
ubber kilo ( 52.0p  -1.0 60p upar (Raw).: £95  +1.0 £99	
oottp's 64s ki 284p	_
* Nominel. † New crop. ‡ Unquote: May-Juns. u Juns. w Sept. # Per ru	ď.
Indicarer § Auyer.	

**MEAT/VEGETABLES** SMITHFIELD—Pance per pound. Beet: Scattish killed sides 58.0 to 62.0; Eire hindqueries 78.0 to 80.0; lorequeries 38.0 te 40.0.

Veal: Outch hinde and onde 86.0 to 100.0.
Lamb: English emeil 80.0 to 100.0, imported inozen: NZ PL 50.5 to 51.0.
PM 50.0 to 50.0.
Hengests: English 36.00 to 85.0 PM 50.0 to 50.0. Hoggests: English 36.00 to 85.0; Scottish 68.0 to 85.0. Pork: English, under 100 lb 34.0 to 45.0. 100-120 lb 35.0 to 43.0, 120-160 lb Pork: English, under two
45.0. 100-120 ib 35.0 to 43.0. 120-160 ib
33.0 to 42.0.

MEAT COMMISSION—Average fetalock prices at tepresentative markete
on May 1. GB cettle 75.24p pet kg.l.w.
(+1.13). LK sheap 184.5p per kg.l.w.
(+0.13). Bb pige 58.3p per
kg.l.w. (+0.3). Bb pige 58.3p per
mimbete down 8.8 per cent, average
price 185.6p (-2.5). Pig numbers
down 10.8 per cent, average price 58.1p
(+1.39). Sheep numbers down 40.5
per cent, average price 178.1p (-12.9).
Pig numbers down 10.8 per cent, average price 50.2p (-1.2).
CILYENT GARDEN—Prices in eterling
per peckage except where etherwise

CIVENT GARDEN—Prices in starting per package except where etherwise stated imported Produce: Tangerinas—California: 100/125e 2.00. Oranges—Spania: alloode 3.10-3.40; leteoli; 5hemoutl 4.40-5.50; Cypriot: 3.50-4.50; Moreccen: Velencia Lates 56/113 4.10-4.80. Lentens—Italien: 100/120g 4.80; S.O.; Spania: traye 30/40/45 1.82-2.20; S. Alrican: 5.50-8.00. Graperruit—Cypriot: 3.00-5.00; lereali; Jatis 27/88 3.45-4.25; S. African: 30/64 3.00-3.80. Apples—S. African: 30/64 3.00-3.80. Apples—S. African: 0unn's 5.00-5.80, Golden Oelicious 6.50-8.75; Statking 6.00-6.50, Jonethen 5:00-5.20, Granny Smith 6-20-7 00, White Winter Pearmain 6.20-6.60; Franch: Golden Delicious (20 lb) 72s 1.70-2.00; 84e 1.60-1.80, (iumble peck) per pound 0.08, Starking (40 lb) 150/175s 3.60-5.00; Italian:

# **AMERICAN MARKETS**

3.50. Seles: S.384, tthmize—May 280% 251 (259%), July 38-267% (265%), Sept. 271%, Oct. 274%-74, March 282% 282%, Mey 288-288%. Plywood—May 203.8 (202.3), July 4.8 (204.4), Sept. 204.8 Nov. 203.5, en. 204.0 bid, March 206.4 bid, May 56.4 bid, July 206.4 bid, Sept. 206.4 dd. rd. Park Bellias—Mey 62.65-62.60 (63.27), uly 60.70-60.55 (61.60), August 57.90-2.70, Feb. 56.00, March 55.00, Mey

230, 20, Oct. 235.70, Occ. 250.20, Feb. 234.70, Orange Juice—May. 108.20 (105.60), July 108.30-108.50 (107.40), Sept. 108.00, Nov. 103.50, Jan. 100.00, Mar. 100.35, May 100.76-100.30, July 101.10 hid-107.30 asked, Sept. 101.20 hid-101.50 seked, Tin—890,00-700.00 nem. 5pot 690.00-700.00 asked (691.00-710.00), CHICAGO, April 30, Live Cattle—June 78.25-78.45 177.721, Aug. 76.60-78.40 (78.85), Oct. 73.75 173.80, Dec. 73.55 73.70, Jan. 73.75 hid, Feb. 73.50, Apr. 73.55, June 73.75, Aug. 73.35, Oct. 72.55. Selee: 39.872. Silver—May 801.0 (778.2), June 806.0 806.0 hid (786.0), July 213.0 bid,

# EUROPEAN

ROTTEROAM, May 1.

U.S. No Twa Dork Herd Winter wheat 12.5 per cent unquoted. U.S. Herd Winter wheat ordinary May \$150. Junc \$158, July-August \$156. U.S. No Two Red Winter wheat June July-August \$154, Sept. \$156. U.S. No Twe Nerthern Spring wheat 14 per cont May \$157.25. June \$158, July \$157. August \$157, Sept. \$158.

Malze—U.S. No Three Corn Yetjow ell. \$128. April \$129.50, May \$129.50, June \$129.50, July-Sept. \$130.50. Oct.-Oec. \$132, Jen.-March \$137 asliers. July-Sept. \$130. Oct.-Oec. \$131.50 traded.

NEW YORK, May 1.
Codds—May 145.50 (141.55), July 147.50 (144.50), Sept. 149.75, Oac. 152.00, March 153.75, May 155.25, July 155.75, Sopt. nil.
Copper—May 50.50 (92.60), June 91.50, Sept. 91.35, Dec. 91.20, Jan. 91.15, March 81.05, Mey 80.85, July 80.85, Sept. 80.70, Oec. 80.85, July 80.85, Sept. 80.70, Oec. 80.55, Jan. 80.50, March 90.40, Potstoes (round whites)—Nov. 81.9 bin-82.4 eaked (81.0), March 70.5 bid. 17.7 eaked (70.5), April nil, Mey 83.1 bin-83.5 eaked (81.0), March 70.5 bid. 183.0, Dec. 832.40, Jen. 897.50, Merch 89.0, June 899.0, August 99.00, Mandy 361.0, July 803.00, Sept. 878.70, Oec. 832.40, Jen. 897.50, Merch 89.0, June 899.0, August 947.50 Oec. 894.30, Jen. 899.40, Metch 999.60, Mandy and Harman spot 799.10 (785.00).

CHICAGO, May 1.
Live Mogs—June 48.70-48.60 (80.25), July 49.75-49.87 (50.45), Aug. 45.85-66,72, Ort. 43.35-43.30, Oec. 44.00, Feb. 43.85, April 41.75, June 43.70 bid, July 49.75-49.87 (50.45), Aug. 45.85-66,72, Ort. 43.35-43.30, Oec. 44.00, Feb. 43.85, April 41.75, June 43.70 bid, July 49.75-49.87 (50.45), Aug. 45.85-66,72, Ort. 43.35-43.30, Oec. 44.00, Feb. 43.85, April 41.75, June 43.70 bid, July 49.75-49.87 (50.45), Aug. 45.85-66,72, Ort. 43.35-43.30, Oec. 44.00, Feb. 43.85, April 41.75, June 43.70 bid, July 48.95-267\*, (2855-), Sept. 271\*, Doc. 274\*-274 March 282.83 (33.4), July 288-267\*, (2855-), Sept. 271\*, Doc. 274\*-274 March 282.83 (33.4), July 288-267\*, (2855-), Sept. 271\*, Doc. 274\*-274 March 282.84 (347-), Ort. 283.50 (33.5), July 282-267\*, (2855-), Sept. 271\*, Doc. 274\*-274 March 282.84 (347-), Sept. 347-, Oec. 284.0-284.50 (347-), Sept. 347-, Oec. 348-, Oec. 3 253 S-254.0.

\$\frac{254.0}{246!-366\*} (347\*-). Sept. 347-346\*. (347\*-). Sept. 347-347\*-). Onc. 357\*-357\*-). March 364\*-385. May 357\*-. All cents per pound ex-warehouse unless etherwise stated. \$\$ per tray ounce. \$\$ Cents per tray ounce. \$\$ Cents per tray ounce. \$\$ Cents per \$\$

NEW YORK, April 30.
62.90-62.95 (81.37), Oct. 64.1060.0-62.95-63.60, Mer. nil.
60.0-62.95-63.60, Mer. nil.
629.7 bid. Oct. 859.2 bid. Oct. 859.3 bid.
629.7 bid. Oct. 859.3 bid. June 869.3 bid.
629.7 bid. Oct. 859.3 bid. June 869.3 bid.
629.7 bid. Oct. 859.3 bid. Oct. 859.3 bid.
629.7 bid. Oct. 859.3 bid. June 869.3 bid.
629.7 bid. Oct. 859.3 bid. Oct. 859.3 bid.
629.7 bid. Oct. 859.3 bid. Oct. 859.3 bid.
629.7 bid. Oct. 859.3 bid. Oct. 859.3 bid.
629.7 bid. Oct. 859.3 bid. Oct. 859.5 bid.
629.7 bid. Oct. 859.5 bid.
629.7 bid. Oct. 859.5 bid. Oc WINNIPEG. April 30. §Rye—May 101.50 (100.50), July 103.00-101.05 (103.40), Oct. 105.10 saked, Occ. 104.3 bid. \$Earley - Way 92.50 bid (89.10-89.40 bid), July 85.50 bid (87.70 aekad), Oct. 89.90 bid. Dec, 89.10 bid. March 89.20 89.90 bid. Dec, 89.10 bid. March 89.20 ssket. 60are—May 86.40 (86.90), July 84.40 bid (84.00), Oct. 85.90 bid, Occ. 84.60 bid. March 85.80 ested. bid. March 65.90 esked.

§Ffaxceed—May 372.00 asked (326.50 bid). July 319.00 asked (323.20 bid).
Oct. 312.50 bid. Nov. 308.00 asked.
Occ. 301.20 bid.

§Wheat—SCWRS 13.5 per cent protelo. content cit St. Lawrence, 183.10.

Rye—Unquered.

Ozts—All unquoted.
Sorghum — U.S.-Plata epet [3119,
April \$117, Mey \$111, June \$112.

Bertey—1, Canada feed April \$115.
May \$115.
Soyobeans—U.S. Two Yellow Guillports eff \$291, April \$291, Mey \$292.50,
June \$296, July-Auguet-Sept. \$295.75,
Oct. \$285.50, Nov. \$284, Dec. \$288.25,
Jan. \$291.50, Feb. \$296, Merch \$297.25,
April-Mey \$300.50, Brazil Yellow FAQ
unqueted, Arocnine May \$285, JuneJuly-Auguet \$284.50 sellers.
Soyameri—44 per cant protein U.S.

Soyemeet—44 pet cent protein U.5, eft. \$233, April 234, May \$233, June \$234, May-Sept. \$235, Nov.-Merch \$239, Sazil pelats eft. \$234, April \$234, May \$235, June \$238, May-Sept. \$238, Nov.-Merch \$245.

DOW JONES

Dow Apr. Apr. Month Year Jones 30 27 ago ago

### INDICES FINANCIAL TIMES

Apr. 40 Apr. 27 M'nth ago Year ago 377.11 275.25 270.80 839.05 (80se: July 1, - 1952=100)

MOODY'S Apr. 30 Apr. 27.M'nth ago Year ago 1052.4 1054.1 1047.1 899.5.

(December 31, 1931=100)

Spot ... 368.48/387.03/378.07/355.64 F'tur's 382.44/390.60/387.09/349.32 (Average 1924-25-26=100) REUTERS May 1 Apr. SOM nth ago: Year ago

1565.5 1559.5 1565.3 1455.4

(Bese: September 18, 1931-700)

Granny Smith per pound 0.11 Romes 0.09; Washinpton: Red Oelicieus 40 lb O.05; Westington: Red Oblicious 40 lb English Produce: Potatoes—per 25 kg 2 40-2.80. Lattuces—per 12 round 1.00-1.20. Muchrooms—per poend 0.40-0 f Apples—per pound Brumley 0.05-0.10-Cax's Grange Pippin 0.99-0.20; Lautons 0.04-0.06. Peaus—per pound Conference 0.15-0.20: Beetroots—per 28 lb 1.10,

tong:2.00. Carrots—pet 22 lb 0.80-1.64.
Onions—per 28 lb 2.49-8.00. Rhubatt—per pound outdoor 0.05. Tomatoes—per pound 0.40-0.45. Swedes—per 28 lb 1.30-1.40. Turnips—per 28 lb 1.00-1.20.
Cucumbers—rey 8/185 2.00-2.40, pre-pack 2.40-2.80. Cauliflowers—12e 2.50-2.80. Spring onlons—per bag/crale 1.50-2.00.

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2662

Companies and Markets

FINANCIAL TIMES ST

# Opinion poll showing small Labour lead rattles equity market and 30-share index falls 14.3 to 537.0

Account Dealing Dates

The effacts of NOP's latest poli were quita dramatie in the polity markets yesterday. The sindication by this political survey that Labour had edged into a small lead caused Mondey's revived optimism about the Tories' chances to evaporate immediately. immediately and it rattled confidence in leading shares to the extent that opening losses of several pence were extended to 10 and occasionally more by the

investors showed nervousness and some began to unwind long positions built up when the opinion polls were-unanimously confident of a Conservative victory tomorrow. and the closure of many Con-Persistent selling made condi-tions highly sensitive and May Day holiday put a brake on

LONDON TRADED OPTIONS

Oct.

Extra Closing | Closing | C osing | Equity | price | offer | Vol. | offer | Vol. | close

July

122

5

Option

First Declara- Last Account
Dealings tions Dealings Day
Aur. 23 May 3 May 4 May 15
May 2 May 17 May 18 May 30
May 21 May 31 June 1 June 12
May 31 June 1 June 12
May 32 May 4 May 40
May 33 May 4 May 40
May 50
May 17 May 18 May 30
May 21 May 31 June 1 June 12
May 32 May 4 May 30
May 4 May 30
May 4 May 30
May 4 May 30
May 4 May 15
May 30
May 4 May 15
May 30
May 4 May 15
May 31 June 1 June 12
May 4 May 4 May 4 May 4 May 15
May 5 May 4 May 15
May 17 May 18 May 30
May 4 May 15
May 18 May 30
May 17 May 18 May 30
M although a recovery was initiated pronounced just before the official close and continued afterwards on speculation about another imminent poll finding even more favourable to

> The FT 30-share index measured the day's events with a fall of 10.2 at the first calculation being clipped an bour later to 7.1 but extended to an overall drop of 14.8 at the close of 537.0; this was the biggest single-day fall since September 1977. Official markings of 7,037, against 6,494 the previous day reflected the incressed activity.

Lahour's election chancas.

Gilt-edged securities were easier but not to the same extent as equities. Sterling's reaction

179 p

242p

108p

42ap

400p

304p

. 120p

· 222p

137p

1040

2

14

10

10

more than I lower. Exceptionally. Exchequer 11 per cent 1991 (£15-paid) reacted 1 to 14. Political considerations also

played a dominant part in the investment currency market yesterday. Short-covering was induced and, with rates adjusting to the lower sterling level, it produced arecovery of four points io the premium to 59; per cent. Yesterday's SE conversion factor was 0.7988 (0.8060).

Business in Traded options fell elightly below the previous day's level with a total of 1,221 con-

tracts compared with 1,386. BOC were in demand, attracting 197 trades, while Marks and Spencer and EMI were also lively with 64 and 145 deals respectively. John Baker (Insulation) staged a bright debut and, from an opening level of 137 p. were relatively briskly traded and touched 155p before settling at 150p compared with the placing price of 115p; the shares are

dealt in under special rule. Banks retreat

The banking sector made a complete reversal of Monday's firm trend as an early mark-down being followed by fairly persistent offerings which prompted widespread duliness. Lloyds, 332p, Midland, 432p, and NatWest, 373p, all closed 20 lower, while Barclays finished 17 down at 488p. Profittating after down at 488p. Profit-taking after the recent aurge prompted a recation of 65 to 325p in Hill Samuel Warrants.

Insurances contributed to the dull trend, with C. E. Heath 11 fower at 245p and Royals, 425p, and Snn Alliance, 650p, down 10 spiece. Up 45 the previous day on hoying ahead of the forth-coming 5-for-1 share-split, Hambro Life reacted 15 to 665p. Sharp falls in Breweries were prompted by afternoon institu-tional selling. Allled gave up 4 to 95p, while Whithread, 132p, and Bass, 222p eased 9 apiece. Scottish and Newcastle closed 5 lower at 66p. Against the trend, George Gale, dealt under apecial rules, met demand and, in a narrow market improved 15 at 495p. Distilleries also tended downwards, Highland slipping 9

Marked lower at the outset. Building issues staged a modest mid-session rally on the appearance of a few cheap huyers before a bout of late selling left the sector distinctly dull. Blue Circle relinquished 10 to 524p. dearer at 97p. Avery, a recent below market estimates and the Up 18 on Monday on an investment recommendation, Manders to 244p, while Baker Perkins Royce shed 31 to 88p, while omng gave up 9 to 175p while, in also met selling and reacted 6 commercial vehicles, ERF, 127p,

ing tomorrows annual results, George Wimpoy eased 2 to 95p. Roberts Adlard provided the only firm spot of note, adding 2 to 128p. after 128p, in response to the satisfactory annual results.

Nervous selling left 1CI 8
down at 399p and Fisons 5 off at
295p. Among other Chemicals,
the lower annual pro6ts left
Alginate 8 cheapar at 320p.

Marks & Spencer down Leading Stores took a distinct ture for the worse with the bulk of the falls sustained in the first half bour or so of business. Marks and Spencer led the retreat, closing 7 down at 119p, after 118p, ahead of next Tuasafter 118p, ahead of next Tuasday's preliminary results. Gussies A fell 14 to 418p, while Burtou A, 300p, and UDS, 117p, lost 4 apiece. A more detailed assessment of the results causad early duliness in British Home which eased to 242p hut a laterally halped them to finish unsiltered at 248p. Fleswhere Lea altered at 248p. Elsewhere, Lee Cooper relinquished 13 to 280p. MFI shed 10 to 355p and Grattan Warehouses lost 8 to 130p. Firm of late in response to Press comment, A. G. Stanley came back 6 to 228p. By way of contrast, Knott Mill hardened 2 more to 67p and bldders Kitchen

A rally in the Electrical leadars from lower opening levels failed to hold and final quotations were the lowest of the day. GEC ended 11 off at 426p and Thorn 8 down at 470p. Losses in some of the recent high-fliers were fairly modest, falls of around 5 being marked against Muirbeed, 298p, Pye Holdings, 106p, and Racal, 483p, whila increased half-yearly profits failed to benefit Wellco, a penny

Queen edged forward a penoy to

cheaper at 36ip. Persistent small offerings and lack of support led to a setback in the Engineering leaders where John Brown were outstanding with a reaction of 18 to 561p. GKN, 289p, and Hawker, to 485p and ICL lost 7 to 488p.

252p, gave up 8 apiece. By way of contrast, Haden Carrier responded to the increased dividend and of the increased dividend and the contract of the contract o and profits with a rise of 8 to 125p and Spear and Jackson held steady at 148p following preliminary results in line with expectations. Fresh investment demand lifted B: Eillott 6 more to 250p. Other bright spots in-cluded Yarrow, up 5 at 390p, and Ratcliffs (Great Bridge), 3

Cadbury Schweppes ended 3 off at 63 p and Tate and Lyle shed 4 to 152p. Up 11 on Monday on revived speculative demand, profit-taking left Spillers 2 cheaper at 44 p. Louis C. Edwards, at 5Sp, gave hack all of the previous day's gain of 7 that stamped from exercicity. that stemmed from acquisition news and the statement on prospects. Supermarkets mir-rored the dull trend with J. Sainsbury 8 off at 342p. Nurdin and Peacock, however, 6rmed 4 to 101p, after 104p, in response to the satisfactory annual results. Elsewhere, Alpine Soft Drinks provided an isolated firm spot, adding 10 to 186p in a thin

report, adverse Press comment on the application for the recewal of its London casico licencea left Ladhroke 10 cheaper at 212p. Lale selling left Grand Metropolitan 8 down at 167p. The NOP poll giving Lahour a narrow election lead prompted sethack in the miscellaneous lodustrial leaders. After nn early mark-down, prices continued lower on sporadic nervous offerings to close at the lowest of the day. Glaxo endad 12 down at 503p, Beecham 10 to 717p and Unilever 10 to 640p.
Boots cheapened 9 to 222p and
Bowater 5 to 200p. Following
news that the Family Trustees
and the Fraser Foundation have
decided not to accept Charerbouse Japhet's 200p per share offar, Scottish and Universal investments gave up 4 to 192p; Lentho closed unaltered at 80p to make its bld currently worth 195p per ahare. Elsewhere, apart from a rise of 8 to 150p in the good results and an improve-ment of 6 to 162p in Macarthys Pharmacenticals, the trend was also to lower levels. Still unsettled by the recent poor results, Bestair fell 3 further to 43p, while fading bid hopes clipped 6 from Cape Industries

light, Receotly firm Lex Service relinquished 7 at 108p. Harold Perry eased 5 for a twolday fall of 10 at 166p. Appleyard, how-ever, responded to favourable Press comment, reaching 106p before aettling for a net rise of 2 at 102p. Annual results from Wadham Stringer fell some £lm

ment.

Among Properties, Land Securities shed 12 to 295p and MEPC

7 to 190p, while British Land relinquished 4 to 76p. Late selling left Great Portland Estates
12 down at 286p and Haslemere
10 off at 306p. Following the acquisition of a private company, dealings resumed in Westminster

Property at 45p and the price Property at 45p and the price touched 49p before the close of 47p which comparea suspension price of 261p.

Oils on offer

. A rally in the Oil leaders soon petered out and, with sellers coo-tlouing to make their presence market. Ilouing to make their presence
Despite the optimistic annual felt in the late dealings, final quotations were the lowest of the day. British Petroleum fell 26 to 1212p and Shell 24 to 774p. Secondary issues followed a similar pattern. Tricentrol reacting S to 230p and Ultramar a similar amount to 304p, while Siebens (UK), 234p, and Oll Ex-ploratiou, 254p, reacted 6 aplece. Boustead firmed 2 at 90p following the 23 per cant profits increase, improved dividend and proposed 100 par cent scrip issue. Losses of a few pence were fairly widespread throughout Trusts, Among Financials, Robert

> Among Shippings, Common Bros. fell 18 to 212p on fears that British and Commonwealth may lapse its offer. Textiles closed with an easier hias, although the odd firm spot was apparent. Courtaulds fell 4 to 107p. Tricoville, a strong market on Monday following a partial bid from a German concern, slipped 2 to 90p. Preliminary results from Tero-Consulate failed to impress and the shares fell a couple of pence to 83p. Richarda, on the other hand,

Kitchen Taylor ran back 7 to

fouod support ahead tomorrow's interim statement and rose 2 to 24p, after 25p, Parkland A added 3 at 84p.
In Tohaccos. Imperial fell 3 to 103p, while Bats gave up 7 with Ordinary floishing at 318p; with the Deferred at 295p.

Golds firmer The initial 6rmness of the

price, finally unchanged at \$2446.375 an conce, saw South African Golds marked higher at the outset and hold steady throughout. Activity, however, howe continued at the recent low level. The Gold Mines Index added The Gold Milles index agree 25 at 152.9, while the expression index put on 0.9 at Transparent Page Watnowshis Premium index put on 0.9 at Transparent Page 122.1.

Among the heavyweights West Parkland "A" TEXTILES (2) Nichards

Industrial ..... Gold Mines...

75.84 74.99 Government Secs... 76.08 77.15 77.12 76.27 Fixed Interest ...... 357.0 551.3 847,2 162.9 150.4 162.1 122.1 Gold Mines(Ex-\$ pm) Ord. Tily, Yield ..... 3.41 5.28 5,52 14.14 14.24 Earnings, Yid. % (full) P/E Ratio (net) (\*). ... 2.84 2.06 2.00 Dealinga marked...... 7,057 6,494 6,271 Equity turnover £m. \_\_\_\_ 104.79, 103.81 1 Equity bargaine total: \_\_\_\_\_ 2a,749; 20,201; a

10 am 541.1. 11 am 644.2. Noon 5 2 pm 542.2. 3 pm 5 2 pm 542.2. 3 pm 5 Letest index 01-246 2 "Nil=2.58. assis 100 Govt. Secs. 13/10/26. Fixed 1/7/35. Gold Mines 12/9/55. Ex. 8 premit SE Activity July-Oec. 1942.

HIGHS AND LOWS

MIGNS AND LONG							
	11	172	Since Compliat n				
	High   Low		High	Low			
Govt. aecs.	75.84 (12/4)	64.64	187,4	43.18 (8/1/75)			
Fixed Int	77.34 (17/4)	66,05 (18/2)	150.4 (28/11/47)	50,53  5/1/75)			
Ind.Ord	65a,7 (25/4)	446.1 (12/2)	562.7 (25/4/73)	49.4 (26/6/40)			
Gold Mines	185,8 (6/2)	129.a (17/4)	442.3 122/5/751	43.6 (28/10/71)			
Gold Mines	185.6 (28/3)-	a5.2	357.1 (8/4/74)	54.5 (25/8/76)			

Driefontein, a half-point firmer followi good at £14;, were prominent, to 240; while medium-priced issues Aust showed SI. Heleoa 23 up at 785p ahead

and Winkelhaak 20 better at rally i 579p. South Africao Financials improved throughout the list with Anglo-Vaal particularly favoured with a half-point rise at £11½ reflecting the company's prospecting activities near Earberton prompt Wester 5 to 1 in the Transvaal. Amgold rose a like amount to £161.

London-hased Financials, bowtion ha

ever, came under pressure

**NEW HIGHS AND LOW** The following accurities quoted in the Share information Service yesterday attained new Highs and Lows for 1979 NEW HIGHS (64)

COMMONWEAUTH & AFRICANS (4)

AUS. 5:per 1977-80 NZ 56c.1976-80

Do. 5:per 1981-82 Do. 7:per 1983-86

FOREIGN BONIDS & RAILS (1)

Ireland S tept 1981-85

ENKS (1)

Hambros SANKS (1) Landon Su

Hambros

BUILDINGS (GI
Allied Plant. Travis & Arnold
Benlox
Roberts Adiard
CHEMICALS (GI
Siagdon & Noskos
Ciba Geigy 71-pcLn.
Courts (Fornispers) A Knott Mill
Empire Stores
Milletts Leisgre
Kitchen Quoen
ELECTRICALS (S)
Aubomated Security Forward Technology
Dowding & Mills
Philips Fin, Sape
Fidelity Radio
ENGINEERING (3)

Fidelity Radio
Fidelity Radio
ENGINEERING (4)
Cartwright (R.)
Famer (S. W.)
Elliott (B.)
FOODS (3)
Alpiae Soft Orinks
Nurdin & Pescock
Cartiers Amber Inds.
Austin if-i Leyton
Booker McConneil
Controva

Moviest Reed Executive Restmor Sale Tilney Sandhurst Marketing Wilkes (J.) Ulster TV "A"
NEWSPAPERS (2)
Collins (W.) "A"
Sharpe (W. N.)

Ayer Hitan RISI

Jacobs IJ-

Beales U.)

Reliance

Totals

# DANCHOR CHEMICAL

Lord Hewlett, Chairman, reports a strong recovery in the second half. That trend, although offset by the serious industrial disputes which occurred outside the Company in the first two months of 1979 had been regained in March and was expected to be maintained for the foreseeable future.

Good contributions had been earned by all subsidiaries and associated companies in the Group in 1978 and providing the improved trading position in the U.K. is maintained 1979 should be a satisfactory year.

RESULTS FOR THE YEAR	1978	1977
	£	£
Turnover ·	11,357,000	11,213,000
Operating profit	453,000	530,000
Profit before tax	422,000	601,000
Ordinary Dividends	130,000	114,000
Earnings per share	9.00p	15.37p

Recommended maximum permitted total dividend 4.638p per share (1977-4.1559p)

Copies of the Annual Report and Accounts will be available after 8th May, 1979 from the Secretary, Anchor Chemical Company Limited, Clayton Lane, Clayton, Manchester

Specialist chemical manufacturers serving the rubber, surface coating, paint and plastic industries.

# **EUROBONDS**

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979:

May	14	September	10
June	12	October	15
July	9	November	12
Angust	13	December	10

There is a limited amount of advertising space available each month; if your company is interested in taking advantage of this offer please contact:

> The Financial Advertisement Department on 01-248 8000 Ext. 424 or 7008

# **ACTIVE STOCKS**

		· No.				
	nomin		Closing	Cbange	1979	1979
Stock	tion	marks	price (p)	on day	high	low
Shell Transport	25p	25	774	-24	798	556
BP	£1·	16	1,212	-26	1,238	882
GEC	25p	15	426	~11	438	311
Grand Met	50p	12	167	- s	175	112
GUS A	25p	12	418	14	432	288
ICI	£1	12	399	'8	410	346
Marks & Spencer	25p	10	119	· - 7	131	83
Barclays Bank	£1	9	488	<b>-17</b>	505	360
Beecham	25p	9	717	· — 10	755	-592
Brit. Home Stores	25p	9	248	***	248	172
Commercial Un.	25p	9	176	· <b></b> 5	184	140
Plessey	50p	9	103	· 3	117	103
Rank Org	25p	9	278	- 4	. 300	236
RTZ	-25p	9	340	~ 3	344	226
Sears Hidgs	25p	9	53±	- 1	554	354

**OPTIONS** DEALING DATES Declara- Settle-Ings ings tion ment Apr. 18 Apr. 30 Jul. 12 Jul. 24 May 1 May 14 Jul. 26 Ang. 7 May 15 May 29 Aug. 9 Aug. 21 For rate indications see end of

Share Information Scrvice The option market remained active with calls dealt in Trafalgar House, Cadhnry Schweppes, Highams, GEC, Shell Transport, Town and Clly, Barmah Premier Oil, Marks and Spencer, Waring and Gillow, Burrell, Kitchen Queen, 1mry

Props., Bambers, Lec Cooper Siebens (UK), British Land Charterhall, Westminster Pro perties, FNFC, Ladbroke an the Warraots, Maple, GKN Borton Warrants, Wago Finance, Inter-City, Grand Metro politan, Racal, Cray Electronic Spillers, Acrow A. Loarho Swire Propertie Minster Asset Readicut. Inveresk. Spencer Gears, Tate and Lylo and LWT. Puts were completed in Tesco, GEC, Ladhroke, Pear Assurance, IC1. Blue Circle Barclays and Charterhall, while

# RECENT ISSUES

### **EQUITIES**

issue Price pt			279 Low	Stock	Price +	Amount	Viete Viete
	F.P. F.P. F.P.	- 195 - 156 - 574 20/2 161 16:2 170	137121 4212 2	tAppl. Comput tBaker (John) lank Bridge 10 laledonian Hids lonting Assoc. I	150 ρ 471 <sub>2</sub> – δ 15 180 – Ι	12.0 —	0.e:23.a 11.2; 6.0.16.3

FIXED INTEREST STOCKS						
Price to Price to Am'unt Peld up Latest Renunc	1972 High Low	\$took	Olosing Price &	- or		
991 <sub>2</sub> F.P	5314 6234 1050 1050 1107 1050 65 5914 102 99 1050 1050 7017	Cleveland (County of) Var. Rate 1984 Eng. Assoc. Sterling Fd. Part. Red. Prf Grant (James) 1033 Pref How rd Wyndh in 97 Cnv. Cum. Red. Prf IGFC 1212 Una Ln 1922 Lee Valley Water 97 Red. Prf. 1986 Lyles (5.1 11 % Cum. Pref MFPC 012 Conv. Una. Ln. 1995-2000 Slough Ests. 87 Cnv. 1261-94 Tricoville 1033 Pref	106p 1 pm - 25 102 106p 72	-14 -12		
	" RIG	HTS" OFFERS		_		
ES. La	test	. 15	-	_		

fraue Price	E C	Late Renui Dat	nc.	127	79	Stock Stock	— - or
p‡	¥0.	•		High	Low	Stuck SE	-
2612 33 185 0p 34 4	F.P. NH F.P. F.P. F.P. F.P.	974 185 274 146 223 233 244 194	11/5 0/6 6/6 1/6 4/5 18/6 18/6 18/6	2014 50pm 216pm 105 5pm - 4814 252 11 59pm 74pm	1012 37pm 212pm 62 4pm 38 410 6 42pm 2712	Johnson Matthey 209 Maddock 11 Norfolk Cap Hotels 52 Park Place Invs. 59	2 -1

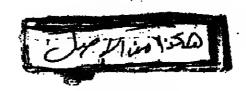
# FT-ACTUARIES SHARE

These indices are the joint compilation of the Financial Times, the Instit and the Faculty of Actuaries

	EQUITY GROUPS	1	Tues., May 1, 1979					
Figu	& JUB-SECTIONS  ares in parentheses show number of stocks per section	index No.	Day's Change	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Index No.	· Inde
1	CAPITAL 600DS (172)		-1.8	15.24	5.00	6.77	282.00	279.
2	6ulkling Materials (27)	258.14	-1.7	15.73	5.32	8.49	262.56	260.
3	Contracting, Construction (28)		-L.8	.18.60	4.86	7.48	435.01	432.
4	Electricals (14)	667.62	-23	11.69	2.86	11,71	683.03	676
5	Engineering Contractors (12)	420.53	-1.4	16.79	5.43	8.01	426.47	420
6	Mechanical Engineering (75)	204.62	-1.7	16.79	5.63	7.82	208.25	286.5
٠,	Metals and Metal Forming(16)	186.56	-13	16.31	8.33	7.91	189.05	188.
11	CONSUMER GOODS	-						
12	(DURABLE)(53) Lt. Electronics, Radio, TV (16)	251.14 342.46	-1.5	13.96	4.33	9.53	255.09	253.3
13	Household Goods (12)	176.83	-1.3 -0.7	11.07 14.53	3.09	12.78	346.92	344
Ĩ4	Motors and Distributors (25)	128.39	-2.3	20.18	6.75 6.50	9.30 6.13	178.15	177.
	CONSUMER GOODS			20.10	0.50	6.15	131.40	130.
21	(NON-DURABLE) (170]	257.A7	-2.6	13.95	5.12	9.29	264.44	1
22	Breweries (14)	285.57	-41	13.36	5.27	9.49	297.74	261
23	Breweries (14)	335.05	-2.0	13.97	4.47	10.45	341.97	294.
24	Entertainment, Catering (17)	361.05	-27	33.07	5.31	10.18	370.93	338.7 367.2
25	Food Manufacturing (19)	229.66	-1.4	36.87	4.94	7.58	233.02	231.0
26	Food Retalling (15)	212 12	-2.6	10.29	3.77	13.20	321.42	3163
32	Newspapers, Publishing (12)	472.62	-1.2	19.67	5.42	7.20	478.56	477.2
33	Packaging and Paper (15)	151.30	-1.2	17.07	7.21	7.54	153.18	151.9
34	Stores (40)	257.43	-3.3	10.01	3.79	13.84	266.32	263.4
35	Textiles(23)	182.59	-23	18.03	8.37	7.03	185,98	185.2
36   37	Tobaccos (3)	272.69	÷2.3	20.88	7.55	<b>5.50</b>	279.00	276.7
4i	Toys and Games (6)	87.81	-1.5	25.36	7.54	4.65	89.11	88.5
42	Chamlesh (19)	226.73 317.82	-1.4 -1.5	13.97	5.66	8.89	229.84	228.4
43	Chemicah (18) Pharmaceutical Products (7)	268.72	-1.4	15.78 10.05	6.19	7.42	322.56	319.9
44	Office Equipment (6)	147.03	-12	13.80	4.41 5.58	12.24	272.63	270.5
45	Shipping (10)	457.86	-0.9	9.15	6.65	9.14 15.70	148.84	1483
46	Miscellaneous (58)	258.36	-13	15.33	5.70	8.48	461.99	463.6
49		262.30	-21	14.28	5.16	9.07	261.77	260.1
51	Ols(6)	685,48	-25	1153	3.20	9.07	267.79	265.5
59 1		296.77	-21	13.81	4.82	9.10	703.01	696.5
51	FINANCIAL GROUP(115)	212.36	-27		4.87	A-10	303,21	300,6
62	Banks(6)	252.93	-42	26.33	4.78		218.28	213.2
63		265,14	-0.6		7.02	4.91	264.05	255,8
54	Hire Purchase (5)	195.63	-2.7	16.39	451	7.83	266.79	262.8
55	IU201.551C6 (T11.6) (T0)	175.07	-2.4		6.07		201,03 179,44	195.3 174.0
<u>6</u> 6	Insurance (Composite) (8)	151.55	-2.2	1	6.23	Ξ	254.99	151.6
7	Insurance Brokers (10)	326.34	-23	15.20	5.88	9.46	334.12	328.4
8	Merchant Banks (14)	100.82	-1.5	i	5.18	-	102.36	100.6
9	Property (42)	358.16	2.2	315	2.27	48.89	366.18	361.7
70	Miscellaneous (10)	132.96	-0.9 [	16.96	5.25	7.34	134.18	130.5
i l	Miscellaneous (10) Investment Trusts (111) Mining Finance (4) Overseas Traders (20) ALL-SHARE (NDEX (750)	245.45	-0.7		4.50		247.19	246.6
ñΙ	Owners Trades (20)	241.59 }	-TP	14.19	5.57_	8.43	143.66	141.8
		20/20	-176	14 67 1	6.87	9.31	**	
9	ALL CHART WOLV / TOAT	500.00	- 5.0		4.87		369.79 279.46	366.90

FIXED INTEREST PRICE INDICES					١.	FIXED INTEREST YIELDS Br. Govt. Av. Gress Red.	
·	British Government	Tues. May 1	Day's change %	xd adj. today	nd adj. 1979 to date	1 2 3	25 years
1 2	Under 5 years	107.98	-0.30	_	3.02	5	Medium 5 years
3	5-15 years Over 15 years	127.68	-0.29 -0.94	_	2,90 4.95	7 8	High 3 years
4	irredeemables	137.03	-0.40	<u> </u>	6.68	و	Coupons 15 years
5	Ali stocks	118 46	-0.54		3.73	10	

16 20-yr. Red. Deh & Loans (15) 61.51 112.07 61.47 61.43 61.31 60.75 50.76 Investment Trust Prefs. (15) 31.45 15.80 61.46 52.81 62.61 65.07 62.93 Coml. and Indl. Profe. (20) 76.24 12,40 75,17 76,20 75,17, 76,56 78,61



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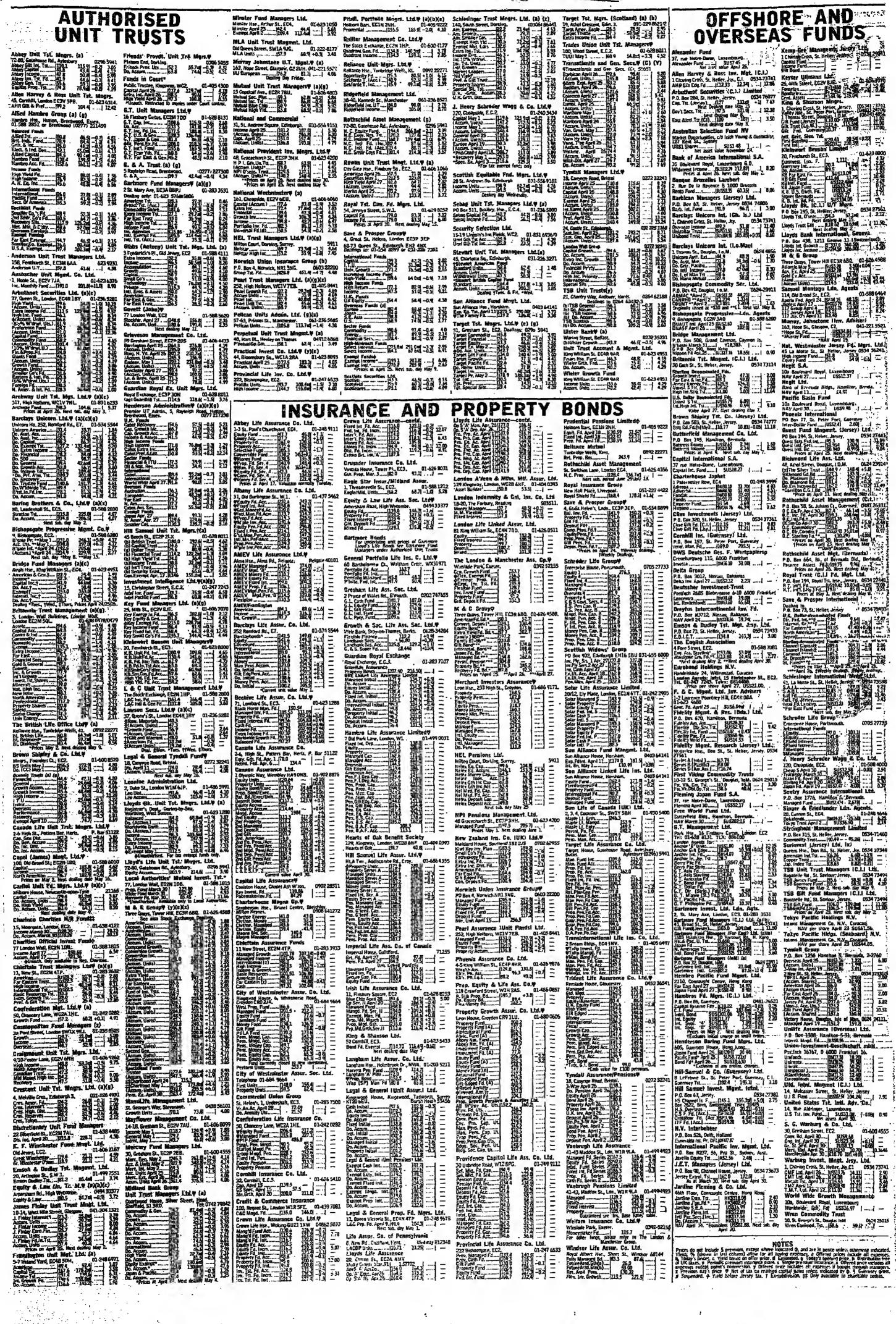
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### **SERVICE** SHARE **INFORMATION**

CHEMICALS, PLASTICS—Cont.

design and build cost effective developments for industry and commerce	BONDS & RAILS—Cont.	ВА
iDC Limited Stratford upon Avon 0789 4288	1979   Price   + or   Dir. %   Red.	1979 High Law 205 1147 11
4288 To 4288	35 27 Do. 5pc 1912 28	80 60 185 150 79 40 77 58
BRITISH FUNDS	42   40   Do 4pc Mixed Ass.   40     4   15.19   52   42   Hung. '24 Ass.   483-rd     5.67   68   68	358 272 50 42 179 111
High Law Stack Price + 4" Int.   Red.	36 69 00 94pc 91-96 86 14 94 11.88 390 285 Janan 4nc 10 Ass 285 — —	452 348 597 279 594 577 63 52
973 945 Treasury 3pc 79±± 9712 +18 3.08 9.70 98 953 Electric 41-pc 74-79 98 +18 4.34 9.32 1001 545 Treasury 10-pc 79±± 100 10.50 10.41	73 65 00 60c 83-88 73 6.00 10.80 1.87 1.80 135 Peru Ass.3pc. 160 3 1.87 1.87 1.50 75p 5.C.1.61.61.20 1.980 75p 5942 8.67 9.53 1.87 1.87 1.87 1.87 1.87 1.87 1.87 1.87	갦쌝
995 95 1 Treasury 91 pt 1807 991 mi - 9 9 10 18 10 18 95	97   75   Origina 3-30c   97     3-2   3.60 U.3. \$ & DM prices exclude inv. \$ premlum	109 78 392 278 649 644 480 360 260 200 108 78 524 430
70 924 Funding 5-40: 78-80th 954 15 18 5 48 931	AMERICANS  1979   + or Div.   Yill High Low   Stock   £   - Dress   Cw   Gr's	524 430 \$1114 \$1014 400 305 54 40 £215 £164
9814 9114 Exch. 9120c 1981 9814 - 3 9.68 10.44	201, 137, ASA	101   5712
8912   82   Treasury 3nc 82++   957 <sub>6</sub>   -12   8.87   10.26	2412   1575   Amer. Medic. Int.   1578   -4   600   -   1.7   1454   9460   Asarco Inc	41 <sup>1</sup> 2 33 <sup>1</sup> 2 581 555 <sup>1</sup> 4 8 8 137 90 53 27
3919   82   Treasury 3oc 82+1   8802   -1   3.39   7.64     1085   1095   Treasury 14oc 82+1   1075   -4   13.01   10.80     9612   943   Treas Variable 2344   9614   -5   12.18   13.06     974   853   Treasury 84oc 632   948   -12   871   10.22     979   865   Exc. 61. 94ac 1982   9614   -15   9.59   10.47     979   865   Exc. 61. 94ac 1982   9614   -15   9.59   10.47     979   865   Exc. 61   94ac 1982   9614   -15   9.59   10.47     979   979   979   979   979   979   979   10.47     979   979   979   979   979   979   979   10.47     979	174 135 Beth Steer SB 14 51.40 - 51	137 90 153 12 164 90 119 90 16 1112 54 39
95% 84% Exch. 84pc 1983 95% -12 9.17 10.28 86% 78% Exch. 3pc 83 851 3.51 7.44	91#   25   ILOS 32.30	·
973 852 Exch. 10oc 1983 973 - 10.27 18.72	234   189   Chase M mm 312.5   21-5m   -4   32-90     3.0     171   175   Chasebrough \$1   133   51.08     4.1	BEER
572 704 Finding 525 82 845 89 1-4 6.18 1 837	185 137 Do Co. Pr. 851 144 520 - 72	80 27 15 15 15 15 15 15 15 15 15 15 15 15 15
11 7 74 (Exch. 13-apt. 1967	145, 975   Colgate-P. \$1.   11.   11.   11.   11.   12.   12.   13.   14.   15.   16.   15.   16.   17.   15.   16.   16.   15.   16.	238 11 50 11 12 12 12 12 12 12 12 12 12 12 12 12
72'4 61'4 Treasury 130: 196-89 71.5 -4 6.99 9.32 113 934 Treasury 130: 1990tt 112 -5 12:02 11:63 880 72'4 Treasury 84 87 90'tt 87.5 -4 9.76 10:56	277, 213, Eaton Crp. \$0.50. 234, \$2.25 = 4.9 194, 154, Esmark 155, \$1.50 = 5.0 195, \$1.50 =	61 46 171 140 212 176 82 57 174 134 259 198 28 22 84 50 170 120 370 303 154 176 76
715, 603, Funding 54 or 37-91	101 <sub>2</sub>   7720   Firestone Tire      7950   +7   \$1.10     7.81     7.	28 22 0 28 170 120
925 752 7reasny 10pt 1972 925 11.05 11.35 11.05	161 154 GATX 160, 1520 — 6.1 374 Gen. Elect. \$22 299, 11 \$2.0 — 6.1 299, 11 \$2.0 — 6.1 299, 11 \$2.0 — 6.1 299, 11 \$2.0 — 6.1 299, 11 \$2.0 — 6.1 299, 11 \$2.0 — 6.1 299, 11 \$2.0 — 6.1 299, 12 \$2.	373 154 16 106 76
1194 98 Tressry 134pc 1973# 1124m - 1218 1187 1204 984 Tressry 142pc 94# 1197 - 1235 1195 Over Fifteen Years	236   182   1.8.M. Corp. \$5    190   +2   \$13.76      3.6   373, 292   10gersoll-R \$2    291 <sub>2</sub>   -3, \$3.16      5.4   818   6420   1   1   1   1   1   1   1   1   1	225 191 480 410 108 80 123 75
1061-a  871-2   Exch. 121-pc 1994   1071-a  -5   11.93   11.83   883-4   72   Treasury 9cc 9442   841-pd   -4   10.65   12.11   1065   851-4   Treasury 12pc 95   105   -3   11.79   11.73   11.7	361 26% Morgan IJP) USS25 29m -1 5220 - 3.8	108 80 75 75 70 77 155 129 129 129 129 129 129 129 129 129 129
940, 755, Exch. 104ec 1995	143, 111, Owens-III. \$3.125	143 96 1 301 221 175 162
504g 41% Resemption 3pc 1986-96 49% -1g 6.11 8.74	144 102 Resnord 55	В
95 755 Exchequer 10 pc 1997 937 11.43 11.58 68 56 Irressary 84pc 19971 665 -4 10.83 11.24 68 56 Irressary 64pc 95 961 665 -4 10.13 10.96 1275 10.65 17 ress. 15-2pc 984 125 -5 125 -5 1237 12.07	26 22½ Shell Gil S1 25½ 220 3.9  279 7570 Singer (\$10) 8330 30c 4.9  2836 284 Seery Rand \$0.50 294 +1 \$1.52 22  274 207 TRW Inc. \$14 223 \$1.80 41  234 18 Termsoo 1945 151 10% 56.8  152 132 06 10% Lo 35 91-56.  153 154 10 16 soo Pt USS0163, 5590 56.8  154 154 154 Texaco \$6.25 156 56.8  224 17me Inc. 224 55.50 36.7  225 226 17me Inc. 224 55.50 36.7  226 55 550 56.8	·题版》
1085 864 Exch. 12pc 1998 1014mi -5 11.73 11.69 894 714 Treasury 9:pc 1999tt 884 -4 11.12 11.35 485 405 Exch. 124pc 99:100th 464 -3 11.81 11.76 974 775 (Treasury 104pc 1999 914mi + 11.43 11.55	27°   20°   TRW  rc. 51°4     22°4     51.80     41   12°4     52.20   56   152   132   06   06   16   156     56   151     10°6     6.8   775p   541p   18°00   19°4     559p      19°4   15°4   16°4     52.16   6.7     16°4     52.16   6.7	32 20 / 84 71 / 52 40 /
334   66		55 115 120 120 120 120 120 120 120 120 120 120
749 62 Treasury 80c 02-06tt 735 -4 10.95 11.17 533 414 Treasury 9-pc 08-124 527 -4 10.56 10.85 10.85 73 574 Treasury 7-pc 12-15tt 724 -4 11.04 11.13	101 <sub>2</sub> 775p Zapata Corp. 25c. 992p +7 30c — 29	30 <sup>2</sup> 25 55 41 63 52
Undated	S.E. List Premium 251,7% (based on US\$2.0565 per £) Conversion factor 0.7988 (0.8060)	63 52 65 80 65 11 356 244 8 8 11 140 1105 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
385 332 Conv. 32pt 61 Art. 377g -1 9.31 265 224 Treasury 3pt 66 Art. 261s -1 11.58 137g 179 Consols 22pc 232 179 Consols 22pc 232 179 Consols 22pc 232 179 179 Consols 22pc 232 179 179 Consols 22pc 232 179 179 179 179 179 179 179 179 179 179	CANADIANS  167, 12 Bis, Montreal \$2 13 \$1.24 ~ 4.0  157, 1112 Bis, Nova Scot. 1218 - 151.24 - 4.3	63 52 6 80 65 1 356 244 6 99 105 6 140 105 6 640 218 6 80'2 65 6 68 45 6 322 215 6
INTERNATIONAL BANK	134   1114   Bell Carada S815,   1153 -4   51.52 -6.8   154   129   3600 Valley     144   +1   151.0   31   155   156   157	185 1769 F
95   80   5pc Stock '77-82   844;  +4;   5.94   10.80   CORPORATION LOANS	2614 213g   Gulf Dil Can.   2412   -5g   \$1.40     2.4   6400   4900   Hawker Sld. Can.R.   5900   -30   48c     3.4	46 33 0 29 20 0 65 53 0 92 60 0 *1142 %4
961 <sub>2</sub> 891 <sub>3</sub> 8inm'ham 91 <sub>4</sub> pc 79-81 961 <sub>2</sub> 959 11.01 924 851 <sub>2</sub> 8cHstol 73 <sub>2</sub> pc 79-81 924 835 11.11 103 <sub>4</sub> 93 <sub>4</sub> 61.C. 12 <sup>1</sup> spc 92 1034 11.21 104 931 <sub>2</sub> Da 12 <sup>1</sup> spc 1983 1034 11.25	265 214   Holinger S5	41 30 0 222 144 0 158 104 0 67 45 0 136 107 0
95 86 Gissow Apr. 80-82 95 97.73 11.00 95 904 Herts, 5-4pc 78-80 95 552 10.34 98 86 Uverpool 94pc 80-84 94wi 10.33 11.23 294 244 00/30-pc Irred 293 44 12.16	725p   580p   Inl. Nat. Gas 51   660p   -5   80c     5.1   800p   610p   Massey Ferg.     665p   -5	36 107 C 87 62 C 88 77 B 134 110 C
374   79   Lon.Cp.5i-pc.80-82   874   7.51   11.14   92   83   Da. 4-pc.84-85   92   92   10.14   11.18   90   61.2   10.32   84   72   Do. 5-ppc.77-81   90   61.2   10.32   6.80   10.32	244 164 Rio Algori 174 14 52.20 — 3.7 264 204 Royal Bic Can, 52 214 4 52.20 — 4.4 224 185 Seagram Co. CS1 204 -4 51.12 — 2.3	122 1104 E
741 <sub>2</sub> 623 <sub>4</sub> Dq.5-3c 85-87 73 7.76 11.01 73 594 Dq.5-3c 88-30 73 9.51 11.40 26 204 <sub>2</sub> Dq.3cc 20 Aft 25-0rd +1 11.93	142 1114 Tur. Dom. Bk. S1. 1224 - 1 15120 - 41 1102 990p Trans Can. Pipe 1014 - 4 51.16 - 48 S.E. List Promium 2516% (based on \$2.3515 per £)	38 27 F 37 25 F 85 55 F 61 29 F 26 17 F
994 93 Hewcaste 94pc 78-80 973 974 11.00 1013 974 Warwick 1212% 1980 1013 11.28 11.15	BANKS AND HIRE PURCHASE	148 88 377 55 75 FFFFFFFFFFFFFFFFFFFFFFFFFFFFF
COMMONWEALTH & AFRICAN LOANS   964   931   Aust. 5:90: 77-80   984   144   5:70   11:88   87, 814   15:70   11:88   87, 814   15:70   11:88   11:00	1577    1577	37.55
964   924   N.Z. 696 '76-80	400 318 Allen Harvey £1 378 21.44 8.6	93 65 65 35 25 1 32 24 1 135 92 1 89 62 1 89 70 1
105 [.81 [.00.60c78-81] 101 [-1 ] -   -   LOANS	184   140   Arbuthnot L. C1   177   -1   10.23     8.6     135   385   8k. Irekand C1   400     1021.98     5.5     1295   6172   Da Topic Conv.   6183   +1   010%     15.5     15.5	80 58 H 99 75 H 97 65 H 26 17 H 159 127 L 211 154 H
Public Board and Ind.  65½ 56   Agric, Mi, 5pc 59-89   65½  +½ 7.83   10.98   90½ 75   Akcan 10½pc 89-94   90½   12.17   12.50   30½   24½   Met. Wit. 3pc 8   30½  +½   10.08   17.95	352 275   Bank Scotland 51 338   -7   12.25   5.0 5.4 5.1	211 154 11
129 118 U.S.M.C. 96c 1982 121 -1 7.70 - 95 87 Do. without Warrants 942 9.94 12.60	505   360   Barclays £1   488   -17   13.54   6.5   4.1   4.6   230   Brown Shiptey £1   253   -1   19.41     5.6	68 51 U. 24 17 U 160 148 U
103   98½   FF1 130c 1981   103   +½   12.62   11.02   107   100   Do. 140c 79   101ml   13.90	110 75 Clive Dis'nt 20p 99nt 533 8.0 224 158 Com'd Aus. ISA1) 164 +3 1016c 2.9 5.6 6.2 (2174 112) Com'ztk OM 504 1124 02665 6.5 188 133 Cmgu Hhik Kr100 £14 0129 8.8 41 29 Corinthian 10p 40 -1 1.05 5.9 4.0 4.6	168 105 JA 15 13 JA 1452 13332 U
1884   984   Da. 14ct *33	41 29 Corintian 10p. 40 -1 105 5.9 4.0 4.6 1244 220 Cred. France 775 1202	170 135 L 88 72 L 103 80 L
702 84 Da. 114pc Urs. in. 90. 101	5.121 E85 Densire Sak Not.) _ 588	92 69 L 79 62 L 138 115 L
792 642 Da 25 A 72-97 764 1139 1230 FOREIGN BONDS & RAILS	90 63 F. C. Finance 75ml -2 2.2 4 4.4 6 8 54 First Nat. 10p 74 -4 0.6 3 2 Da Writs, 75-83 23 0.6 163, 135 Fraser Ara, 10p 16 244 178 Gervard Natm 244 9.12 - 5.7 - 0.6 24 45 Gibbs (A.1 48 -2 2.2 - 7.0 - 7.0 270 217 Gillett Bros. 51 268 16.95 - 9.4 - 0.6 29 19 Goode D' Mry.5p 2712 -12 0.25 - 1.4 - 0.7 164 116 Crindlay 145 3.07 7.5 3.2 4.5 120 98 Guinness Peat 106 -4 H5.67 - 8.0 - 2.7 121 Hambers 22 - 5 5 - 67 5 5 2 - 1.4	28 28 M 192 130 M 60 452 M 185 99 M
1979   Stack   Price   + or Div. %   Red.	244 178 (Gervan Natim. 244	131 100 M 102 70 M 165 1282 M
23 22 Antofaqasta Riy 22 — — — — — — — — — — — — — —	114   78   Hill Sartivel   107   -3   14.97   - 6.9   - 100   40   Do. Warrants.   325   -65   - 7   - 7   - 7	18 15 M 51 36 M 107 81 M 75 61 M
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Lisbon: Prata de Alegría 58-10, Lisbon Z.	Buiking, 1-9-5 Otemachi, Chyoda-loz, Telex J 27104 7et; 241 2920 Washington: 2nd Floor, 1325 E. Street, N.W., Washington D.C. 20004 Telex 440340 Tel: (202) 47 8676	83 1170 W.
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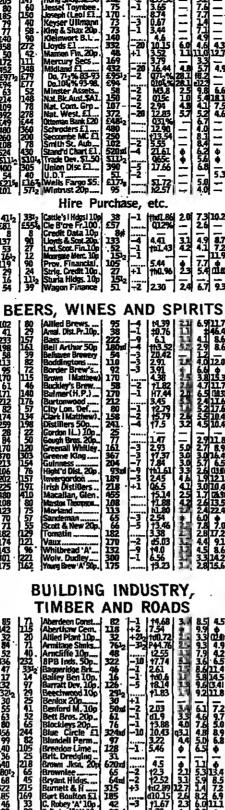
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BANKS & HP--Continued

CHEMICALS, PLASTICS

| 1850 | Alican £1 | 900 | +25 | -2 | 92.27 | 4.6 | 3.6 | 10.4 | 53 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13.6 | 13

DRAPERY AND STORES

6.4 6.7 10.3 16.9

ENGINEERING—Continued

Robertson Foods.
Rowntree M. 50p
Sainsbury (J.)...
Somportex
Spillers...
Spill 148 442 342 70 441 37: 150 152 60 781, 96

HOTELS AND

15% Borel (J.) Fr.100 | £17

50 Brent Walker 5p. 73

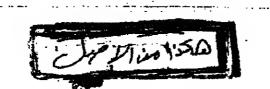
28 Conffort Int. 10p. 255

1412 Epitotre 5p. 15

112 Grand Met. 50p | 112

96 kinraed (M\*16.25) 105 CATERERS

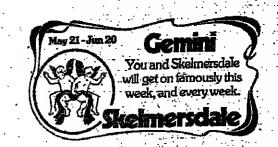
INDUSTRIALS



INSURANCE

148 104 | Bowning (C. T.) | 143 | -5 | 3.36 | 5.3 | 3.5 | 7.9 |
38 | 26 | Bristmall Ed 109 | 26 | -4 | 10.14 | -8.2 |
188 | 156 | Britannic 50 | 184 | -4 | 10.14 | -8.2 |
181 | 151 | Comm. Union | 176 | -5 | 5.4 | -7.2 |
190 | 125 | Engle Stan | 184 | -5 | 6.84 | -5.7 | -1 |
191 | 125 | Engle Stan | 184 | -5 | 6.84 | -5 | 7.7 |
193 | 157 | Emita US 9% Dw. | 1241 | -7.7 | -7.4 | -7.5 |
188 | 164 | Equity & Law 50 | 232 | -4 | 7.75 | -5 | 5.0 | -1 |

Wednesday May 2 1979



# Turkey detains 1,600 after huge May Day demonstration

Ankara. The assertice of power h ytho military poses a grave Aegeae port town of Izmir, of his pepularity, as have problem of credibility for the where martial law is not in severe austerity measures bo government of Mr. Bulent force. All went relatively has introduced. government of Mr. Bulent Ecevit.

Since Mr. Ecevit introduced martial law four months ago he has sought to limit its effect and ensure that it will he applied "with a buman face." Bet insisteece by the Left-wing unice confederation, DISK, on holding its May Day rally, planned for Istanhul but then transferred elsewhere, iod to a confroetation, even if major bloodsbed was avoided.

Istanbul, whose 5m inhahit-ants were placed under curfew for 29 hours, was hrought to a complete halt. Tanks were positioned at vantage points and harricades erected while troops patrolled the empty streets. Doctors were warned that if lems he faces in restoring his fire on a group of domonstrators, they approached within 30 yards battered prestiga. His difficulabout 100 of whom were

Times

action

THE TURIKISH armed forces of troops they would he shot ties in tackling the economic yesterday detained over 1,600
The leaders of DISK were problems he inherited and his people throughout Turkey and arrested. Other members in failure to reach an agreement

after a scuffle.

The TWP has no representa-

has spent several years ie though last year careful pre-prison ie oarlier martial law cautions by DISK ansured the periods. The party has always rally passed peacefully.

put its omphasis on parliamen.

In Ankara yesterday, in spita tary politics and coedemned of the beautiful weather and the

from unions end groups which uncrowded. In one slum district in the past bave often supported at least four people were Mr. Ecevit underlines the prob-wounded after troops opened

sisted that the rally went ahead, with the International Monetary though transforred it to the Fund have undermined much

Mr. Ecevit and the generals, Tha Turkish Workers' Party, who are now administering bowever, insisted on bolding its martial law in 19 of Turkey's 67 owe demonstratioe ie Istanbul, provinces, were concerned that Its leader, the elderly Mrs. the rallies could get out of hand Behice Boran, and over 200 of or hecome the targets of bor followers, were detained terrorist attacks.

Two years ago 34 peoplo were killed on May Day in Istanhul's tives in parliament hut its Taksim Square after unideeti- consider an alternative leader is a promineet figure who fied snipers fired on the crowd, for its May Day rally.

fact that it was Turkey's annual This widespread opposition youth holiday, streets wore Mr. Ecevit has so far refrained from making any statements oe the apparent

tougher line on martial law being taken by his genorals. Last year as a result of military pressure the politicians agreed to extend martial law to the Kurdish areas of south eastern Turkey. Thore are fears in Ankara of Kurdish separatism,

evidence of this developing.

DISK sepported Mr. Ecevit
in the 1977 election campaign but consistently refused to consider an alternative venue The Government is seggesting

that its measuros wera preventive ones-designed to avoid any further bloodshed. The death toll in political violence this year totals 300, but many Turks fear that recent events could be the first step towards the heginning of the abuses seen during the martial law period of 1971-73.

Editorial comment, Page 22

# Power workers thought to have rejected deal

WEST GERMANY'S powerful prieting trade union is being sued following Sunday's abandonment of attempts to publish the Times international 15 por cant on earnings.

If the official results of a

weekly edition. The Times called off its bid to publish after three day of aegry picket-ieg hofore its contracted print The union is being takee to court by TER Druckerei, the Turkish-owned printleg concern

contracted to print the issue, and the Verband Hessischor Zeitungs Vorloger, tho Hessen newspaper publisbers' associ-Also named personally in tho

suit is Herr Leonard Mahlein, president of the trade union, Industriogewerkschaft Druck und Papier (IG Druck). The union, it is understood.

is being suod for "violent obstruction" in the prevention of the newspaper's appoarance. It is, claimed that the union used all means possible to pre-Times' international weekly.

While neither side was available for commont yesterday, it seems clear that the suit will be stoutly resisted. The union pointed out on Monday that it had used only lawful means to prevoet the eppoarance of the newspaper.

Statoments from the local police involved in dealing with the dispute have indicated that no blame has been attached to the union for such acts of violence as occurred during the picketing.

There has been bad blood between IG Druck—which has solidly supported the National Association, Graphical British craft print union, which appealed for help to prevent Tha Times publishing—and the newspaper publishers since last year's lock-out here.

In London, the executive of the National Union of Journa lists decided yesterday against instructing Times journalists not to cross the picket line set up hy print unions at the papor's offices in Gray's Inn Road, London.

# Continued from Page 1

# Tories

poll, Mr. Callaghan said: "The polls are beginning to catch up with what I have always said Trade union leaders claimed yesterday that the Labour voto was being retrieved among both union members and non-

of Trade Unionists for a Labour Victory, said that Tory union-hashing had antagonised voters. nashing had antagonised voters.
Their attempt to divide trade
unsons from the rest of tha
commercial failed.
The Liberals confided of a
close finish on Thursday, set

Mr. Davir Basnett, chairman

out their terms yesterday for supporting a Government drawn either of the main people's Paria ent." of the main parials. "We have no course for a people's Parial ent."

Pointing to the growth of Ideral support recorded by the opinion polls, the Liberal leader id that the party's more upto-date canvess returns showed that its support had doubled in three weeks and was still

Seel repeated his forecast there would be at least 20 Tiberal MPs in the new Parlia-ment. If Liberals held the balance of power, it would insist on discussions with all parties chairman of P and O since last to form a Government based on majority support in the country usual step of calling a Press

Britain's 96,000 power workers are said to have voted against which is estimated to he worth

secret ballot, to be declared injust under a fortnight's time, confirm this response from an nnofficial poll of powor stations, tho group could become the first major industrial relations headache for whichever Government emerges from tho olection

Leaders of the power workers' unofficial shop stewards commitee have warned their national union negotiators that some .75 per cent of the workforce is against acceptance of the Electricity Council's offer of three

A SUBSTANTIAL majority of out by union leaders with that foremen, who stand to gain striain's 96,000 power workers papers for a postal hallot on £11 on their hasic rates from the said to have voted against the offer. These are due to be the offer, will accept the deal. returned and counted by the Electoral Reform Society on May 14. The offer has been described.

as "the best possible doal in tha prevailing circumstances" hy Mr. Tom Crispin, vice chairman of the trade union sido. Last year a wage packago worth over 20 per cent for some workers was eccepted by only a 500 majority whon the nnofficial shop stewards committee was predicting a 50-50 chance of

Their prediction this year follows shop stewards' inquiries on grass roots response to the latest offer in power stations, area board and transmission depots and other sections of the indus-This is in spite of a recom- try throughout Britain.
mendation for acceptance sent. The shop stewards believe

the offer, will accept the deal. But they say a large majority of lower paid workers from craftsmen downwards will reject the offer of an increase of around £6 a week.

Mr. Mick Barwick, secretary of the sbop stewards committee, said that the pay structure in the industry remained "far too complicated." Distrust of the offer was a major factor in the workers' response.

that the offer appeared to be considerably lower than last rear's deal echloved after indus trial action had caused hlackouts in many parts of the country in the winter hefore negotiations hegan.

EPTU conference, Pago 9

# No Lloyd's credit for Sasse

BY JOHN MOORE

THE 16-STRONG ruling com- request of Lloyd's whon the and announced his inteeded mittee of Lloyd's of London is syndicate ran into trouble. not to give the troubled Sasse underwriting syndicate an open-

and a balf bour meeting of the cate was able to recover money and a lengthy afternoon meeting between Mr. Ian Findiay, chairing premiums.

So far Lloyd's has provided a resignation.

Whother

committee Llovd's

"no-strings," open-ended line mittee of Lloyd's is taking ended line of credit to belp it of credit to help the Sasse syndi- appropriate action to meet £13.6m of losses. o meet £13.6m of losses. cate members to meet the The decision came after a two £13.6m of losses until the syndi-

dicate and is to provide a was guarantee that will enable all exploring ways to prevent Mr. members to pass the Lloyd's expected to g
Merrett and his company, annual andit, which tests that docision today.

Merrett Dixey Syndicates, from the members' assets are suffi. A meeting the members' assets are suffigiving up the management of cient to meet their liabilities. members the Sasse syndicate, which he had taken over last year at the with the existing arrangements afternoon.

yndicate ran into trouble. resignation last week because Mr. Merrott had wanted a he "did not think the com-Although there has been no hasic change io attitudo of tho

Lloyd's committoo, somo details of the £7m loan package have been amended in a hid to prevent Mr. Merrott's Whother those amendments

are eeough to do so was in doubt last night, but he is expected to give Lloyd's his A meeting of the 110

members of the Sasse syndicato is to take place at Lloyd's this

# Difficult year for Holland seen

BY CHARLES BATCHELOR IN AMSTERDAM

year and severe distortions in its domestic economy amid was not yet strong enough to bave bappened anyway.

signs of a deterioration in the withstand external storms.

The Dutch economy international economic climate, according to the Dutch central bank. The warning was given in the bank's annual report, in which Dr. Jollo Zijlstra, the hank's president, also threw his weight behind recent calls by the West German Bundesbank to improve control of hanks operating on the Euromarket.
Dr. Zijistra, who is alsopresidant of the Bank for International Setlements, said that after the beginnings of a recovery of the world economy in 1978 the sky was again clond-

It was not clear whether the

HOLLAND FACES a difficult a passing or a fundamental led to the creation of net nature, but the Dutch economy Dr. Zijlstra said the increase in oil prices was expected again to disturb the international

payments paterns and increaso inflation. The uncertain future would reduce williegness to invest, and prospects for increased employment were also not rosy. The recent rise in raw material prices and the imperfect functioning of the international monetary system

were further sources of worry. Dr. Zijlstra said that tho inflationary impact of the Eurocredit market was also under intensive discussion, but it had international difficulties were of still to be shown whether it had

liquidity or whather this would The Dutch economy faced

high costs and a resultant unwillingnes to invest, and there was no sign of e reversal of the imhalance between the private and public sectors of tha economy. Unless this was achieved the private sector would contract, he warned.

While industry continued to invest insufficiently to achieve a real recovery of production and jobs, private consumptioe was again rising. Real consumption rose 41 per cent in 1978, three times the forecast rate and was higher than the 3 to 4 per cent lecrease in real incomes and the 21 per cent growth of the industrial products.

# P&O to sell another big tanker

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

Steam Navigation, whose 1978 announcement of results. results are due today, is to sell another of its largest ships.

He is expected to give indications about the companion.

The 218,000 dwt, nine-year-old tanker Ardvar is expected to raise about £4m, almost double the amount received for a sister ship sold in February.

figures the number of ships and by the troubled shipping company this year. Lord Inchcape,

executive property and

PENINSULAR AND ORIENTAL conference to coincide with tha strategy in disposing of assets necessary to take P and O through the remainder of tha

shipping slump. Virtually every sector This will take into double P and O's non-marine portfolio igures the number of ships has been the subject of bid speculations in recent weeks and there have been active negotiations about the possible sale of the group's energy,

Lord Incheape is known to have favoured selling energy He is expected to give firm assets, notably the group's 15 indications about the company's per cent stake in the Beatrice oli field, and it was primarily a difference of view over this issue which led to the departure of Mr. Sandy Marshall, once P & O'o chief executive, from the group earlier this year.

The British National Oil Corporation has remained the front runner in bidding for the Beatrice stake, but it would be surprising if any firm move vebot beammoune ed bluos

# shop floor apartheid By Quentin Peel in Johannesburg

apartheid on the ahopficor in South Africa should he scrapped, and black trade unions grante statutory recognition, a major Government ommission proposed yester-

day. The long-awaited Wichahn Report, commissioned almost two years ago, recommends a unitary system of industrial relations for all races in South Africa, a major depart-nre from the rigid application of racial separation.

But Seuth Africa's raciallyexclusive white trade union hlack workers out of their jobs through closed shop agreemonts—the most wide-spread form of discrimination in South African industry. Moreover there is no suggestion that South Africa's highly repressive industrial relations legislation as it affects all races should be extensively liberalised.

The recommendations of the commission still depend on Government eedorsement, which is hy no means a fore-gone conclosion. Mr. S. P. Botha, Minister of Labour, is expected to give his initial response after the parliamen-tary cancus of the ruling National Party bas discussed

the report tomorrow.

The commission was divided on a range of major issues, with the principal representative of the biggest white union grouping, the Confede-ration of Labour, dissecting on all the most important recommendations.

statutory job reservation for particular races.

The task of the commission skill shortages a more efficient pery for resolving machinery industrial disputes.

The report bas sought to balance the pressure for chaege with the resistance of white labour—and of a major part of the rulleg National Party-by that proposing tho abolition of racially discriminatory laws he replaced hy shopfloor negotiations.

UK TODAY VERY COLD and windy, gales

Rain, wintry on high ground, sunny intorvals. Fresh winds.

Max 6-8C (43-46F).

Scotland and N. Ireland

Rain, hoavy at times, aunny intervals. Strong winds and local galos. Max 2-6C (36-43F).

Ontlook: Cold and unsettled.

WORLDWIDE

bid to end

S. Africa

LEGAL ENFORCEMENT of

will retain the right to keep

However, the majority proposals constitute significant departures from Govornment policy in princple and detail. Apart from the recognition of black unions, the report calls for the opening of apprenticeships to black workers, the scrapping of the statutory enforcement of separate facilities, such as toilets, in sbops, offices and factories, and the abandon-ment of the principle of

was to suggest changes in industrial relations laws to answer rising black aspira-tions and international tions and international pressure, to eliminate the South African industry, aed to

# Weather

eear some northern coasts. London, S.E. England, Cent. S. England, E. Midlands, Channol Raie, wietry on high groued, sunny intervals. Max 8-10C (46-

E. Anglia, E. England, W. Midlands, S.W. England, Wales N.W. England, Lake District, Isle of Man, N. and N.E.

THE LEX COLUMN

# Funds run down their cash

They order this matter hetter in France, where opinion polls were banned ie the week hefore were banned ie the week nerore the last parliamantary elections. Yesterday morning the equity market was knocked sideways by reports of a Labour lead, and ater in the afternooe appareetly unfeunded stories of a poll to be published today showing Labour further ahead left prices even lower. Sterling was only marginally affected; it might

There is no mistaking the jittery meod among fund. managers who are in many cases heavily exposed to equities at present. Precise figures are im-possible to come by, but it does look as though the liquidity of many oquity funds is low at

have been worse het for the

May Day holiday on the conti-

Over 1978 the liquid assets held by insurance companies and pension funds rose by about £700m to somothing over £32bn - around £1bn less if the general fueds of the insurance companies are excluded. This year cash flow will be higher, at maybe £94bn instead of £84bn but very heevy purchases of silts during the first quarter of the year — perhaps £14bn — plus a continuing flow of money into equities will have absorbed thase axtra funds. The best guess at present is that the liquid assets of the big institutions are if anything rathor lower than they were at the turn of the year which of conrse means that their liquidity ratio

thoir UK equity portfolios are more or less fully invested, an impression which is confirmed by reports from those stock-brokers who monitor liquidity

This position could be quickly reversed ovor the summer as new cash flows into the funds. Aed May is a much hetter moeth for gilt-edged dividends than April. Against thet the market as a wholo is committed to finding £1.12bn for outstanding calls on partly-paid gilt-edged issues, one of which falls today. In addition, rights issue activity may be about to pick up—the quoue of companies which have at least booked a place apparently looks quite

So there does not seem to bo a lot of money waiting on the sidelines to come in if the Coesharo prices are bound to react sharply. No wonder fend managers are chowing their nails. Independent airlines

work. Yours will carn its keep and keep yoe solvent. It could be running in your office two months from

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Index fell 14.3 to 537.0

district

1979

or-bust industries-one which is currently going through one of the periodic booms. Davis and Newman's subsidiary. Dan-Air, carried 4m passengers in 1978: yestorday the group reported pre-tax profits of £2.0m.—more than duoblo those of 1977: Earlier this week. Caledonian Airways, parent of British Caledonian, reported a 40 per, cent increase in trading profits to £13.3m. This compares wth loss of £5.2m in 1974 (the year of the Court Line collapse). Dan-Air, which operates

around 50 aircraft (mostly purcbased second-band) carries roughly e third of all UK has fallen.

Roports from unit trusts aed holidaymakers going abroed on investment-trusts suggest that package holidays. As its profit record indicetes it runs on very slim margins and it does not take many air traffic controllers' strikes to upset the sums: Despite the volatile record of

the industry, bowever, new eetrants are once again being coaxed hack into th omarket. Later this weok, Air Europe starts operations and its chief exocutive (formerly Davies and Newman's finance director) has sald that it will carry over a quarter of a million people this year and spend £100m on new aircraft by the mid-1980's. Most of the other UK indopendents such as Britania (part of the Thomson Group) and Laker have also heen announcing ambitious orders for new equip-

As yet Dan-Air has heen noticeable for its failure to participato in the current huy-The independent UK airlines than some. The next time there cent. The Fod has tightened its operate in one of those boomis an industry downturn it will grip, but only marginally.

he saddled with the heavy bank debt that some operators are now taking en.

week when the new

GKN In a

exposure draft ED 24 has been published, the anneal report from GKN brings confirmation of how inflation accounting hits of how inflation accomming and the engineering sector ospecially harshly. After a hefty additional depreciation charge, current cost pre-tax profits come out at £43m against £107m on the historical cost pre-tax and there is a calculations, and there is a small loss after tax. If GKN had been investing the £94.5m innew fixed capital which, if the current cost figures are to be believed, represented the rate of the control assets in the control as a c erosion of its physical assots, it could heve markedly increased its deht. Because GKN invested oome £23m less than this, bow-ever, thore was only a small cash ontflow in 1978, before taking into account the buying of a larger stake in Uni-Cardan (this purchase being subsequently covered by the £35m

proceads of the Sachs disposal, received in January). The group is giving few clues about its performance so far this year, although it is clear that the sluggish production rate of the UK car industry is bolding it hack and overseas trading profits—a poak 42 per cent of the total last year—are expected to reach e share of ovor 50 por cent within two to five years as the U.S. venture picks up momentum. Last year: the return on historic capitalemployed overseas was 12.3 per cent, against 8.4 per cent in the

### U.S. credit

In the U.S. monoy markets the actions of the Fed speak more clearly than the U.S. economic statistics or the words of Fed chairman Mr. Williamfusing, with infletion and manage supply up and the index of lead-ing economic indicators down. So is Mr. Miller, who yesferday, tried to counter the impression that he had heen set against. increased mooetary restraint. Two weeks before he had said quito clearly that he was.

The fact is that the Fed 📆 🗠 tightened its monetary policylast Friday, pushing the Fee ing sproo. It still operates a funds rate above the range of relatively old fleet which will 10-10; por cent for the first time be hit by the rising fuel prices since December. Yesterday it and future noise restrictions. contained this riso by holding But perhaps it is more sensible the overnight rate at 101 per



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